

APPENDIX C

ECONOMIC IMPACT ANALYSIS

JULY 31, 2006

FISCAL IMPACT ANALYSIS

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AGAJANIAN & ASSOCIATES

ECONOMIC IMPACT ANALYSIS

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Wal-Mart Supercenter at Canyon Crossing
Riverside, California

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Economic Impact Study - Wal-Mart Supercenter at Canyon Crossing
Table of Contents

Section One Introduction and Summary	Page 1
Section Two Project Characteristics	Page 3
Section Three Analytic Approach	Page 5
Section Four Retail Market Demand	Page 8
Section Five Retail Market Supply	Page 14
Section Six Project Economic Impacts	Page 15
Section Seven Economic Impact Findings	Page 19
Appendices	
A.	Site Map and Demographic/Income Tables
B.	Competitive Retail Supply Inventory Tables
C.	Market Sales Estimate (NAICS) Tables

Section 1: Introduction and Summary

The purpose of this brief report is to present the economic impact findings of the proposed Wal-Mart Supercenter at Canyon Crossing retail project based upon a comprehensive and independent analysis conducted in May of 2006. The proposed Wal-Mart Supercenter retail project is a 235,000 square foot retail store development situated on an undeveloped 24 acre parcel located easterly of Valley Springs Parkway and northerly of Corporate Center Place, in the City of Riverside, California.

This economic impact analysis seeks to determine the worst-case consequences of the proposed Wal-Mart Superstore project on competitive retail business sales and retail real estate performance. The first issue addresses the retail sales impact of the proposed project upon competitive businesses within the affected trade areas. The second issue addresses the project's impact on trade area retail store space inventory as it relates to property occupancy and vacancy.

The report presents a detailed description of the proposed project in Section 1. The proposed project is described in Section 2. The approach and methods applied to this analysis are described in Section 3. Retail demand is detailed in Section 4 to estimate trade area retail sales growth. Section 5 examines trade area retail supply performance and planned growth. The economic impact analysis of the proposed project is presented in Section 6. Finally, the report findings are listed in Section 7. Supporting tables are compiled in the Appendix of the report.

In summary, this economic impact analysis supports the following findings:

- **The proposed Wal-Mart Supercenter project is a large community level retail center located in a rapidly growing and highly competitive (5.0-mile radius) retail market.**

The project is a 235,000 SF general merchandise anchor. This project represents 3.0% of the existing retail supply and 2.6% of the 2010 retail supply.

The existing 5.0-mile trade area has 7,845,771 SF of competitive retail space. There are 1,161,251 SF of competitive retail projects in the trade area that are under construction, approved or planned for development amounting to a 2010 supply of 9,007,022 SF of retail space.

- **Retail demand is growing rapidly in the trade area as a result of growing population and increasing incomes.**

Retail sales in the competitive trade area will increase rapidly from \$1,175,156,603 in 2005 to \$1,690,123,777 in 2010. The trade area indicates that the ratio of household retail expenditure to household income is at 24.2%.

Trade area growth is estimated to generate an additional \$515,000,000 in annual retail sales by 2010.

Retail sales growth in the trade area can support an additional 1,420,697 SF of retail store space by 2010.

- **The proposed project will have little sales impact upon future primary trade area competitive stores.**

The project is estimated to capture 5.0% of the available 2010 trade area retail sales demand.

General merchandise stores will be impacted the greatest by the proposed project. About 9.3% of the available 2010 retail demand for general merchandise is captured by the proposed project. This amount, however, is not a significant market share. Food and automotive stores may also be competitively impacted by the proposed project, but not significantly.

- **The retail supply will not experience significant market vacancy as a result of the proposed project.**

The proposed project will induce a 2010 retail supply vacancy rate of 4.7% in the primary trade area. Down from an existing 5.9% retail supply vacancy rate.

- ▶ **A worst case scenario has been used in this analysis. The impacts would be less pronounced if the analysis used less stringent assumptions.**

Section 2: PROJECT CHARACTERISTICS

The proposed 235,000 square foot "Wal-Mart Supercenter at Canyon Crossing" retail project will be located on an undeveloped 24 acre parcel located easterly of Valley Springs Parkway and northerly of Corporate Center Place, in the City of Riverside, California. The proposed project is situated southeast of the I-215/SH-60 interchange and near the boundary with the City of Moreno Valley. Access to the site is from both Valley Springs Parkway and Corporate Center Place (see Site Map in Appendix A.)

The project is within the Canyon Springs Specific Plan area. The proposed project may include the retail sale of general merchandise, groceries, liquor, auto fuel, pharmaceuticals, photo finishing, gardening items, food service, vision service, banking service, tire and lube service, and photo studio service. See the project Draft EIR for a more detailed description of the proposed project.

An existing 125,873 SF Wal-Mart, adjacent to the proposed project site, will be relocated and expanded to occupy the 235,000 SF proposed project. The fiscal impact analysis would normally consider only the net fiscal impact of the proposed project, the addition of 109,127 SF. However, the analysis is to assume that the existing 125,873 SF store will be occupied by a retail use upon vacation by the existing Wal-Mart. Therefore, this analysis examines the fiscal impact of the 235,000 SF proposed project as a new project, not the net fiscal impact reflecting the relocation of the existing Wal-Mart Supercenter store.

The fiscal impact analysis will use several assumed characteristics of the proposed project including retail use by floor area, retail sales, assessed valuation and employment at project buildout.

Table 1:
Project Size and Sales Characteristics

Retail Use	Size (SF)	Sales/ SF	Retail Sales
Apparel	0	\$300	\$0
General Merchandise	157,000	\$350	\$54,950,000
Food Stores	60,000	\$400	\$24,000,000
Eating and Drinking	6,000	\$475	\$2,850,000
Household	0	\$350	\$0
Building Materials	0	\$250	\$0
Automotive	8,000	\$275	\$2,200,000
Other Retail Stores	4,000	\$225	\$900,000
Total	235,000	\$361	\$84,900,000

"Food stores" include liquor and pharmacy uses.

"Other retail store" uses include vision center, photo studio
and photo finishing.

Source: AGAJANIAN & Associates

Project Retail Uses by Floor Area

Table 1 describes the proposed project's floor space to reflect the type of retail goods and services assumed to be located in the store. General merchandise is the predominant retail use for the proposed project. Grocery and drug store uses also occupy a large share of space.

Project Retail Sales

The estimated retail sales generated by the proposed project is based upon the gross leasable floor area for specific types of stores and their associated average retail sales per year. Average retail sales factors by store type are formulated from several sources including store sales information in "Dollars & Cents of Shopping Centers: 2004," (Urban Land Institute.) The sales generation factors applicable to this particular project are presented in Table 1. The project as a whole is assumed to generate an average of \$361 per square foot of floor area, a reasonable estimate of future performance. This yields a total project retail sales estimate of \$84,900,000 at project buildout.

Project Assessed Valuation (AV)

Project total AV at buildout is estimated at \$24,675,000. The estimated project assessed valuation is based upon an assumed hard retail development cost of \$105 per square foot of floor area.

Project Employment

Project employment is estimated by applying an average 350 square feet per employee to the proposed project. This employment factor is formulated from industry standards by retail use. This employment factor yields a total estimated full time equivalent employment of 671 jobs at project buildout

Section 3. ANALYTIC APPROACH

This economic impact analysis seeks to determine the worst-case consequences of the proposed Wal-Mart Supercenter at Canyon Crossing project on competitive retail business sales and retail real estate performance. The analysis is structured to provide reliable and reasonable economic impact estimates for the proposed project. The scope, approach and methods used in this analysis are detailed below.

A. Scope and Approach

This report focuses upon the types of economic impacts that are defined as significant by the California Environmental Quality Act (CEQA) because it supports the preparation of an environmental impact report for the proposed project. The CEQA guidelines (Section 15131(b)) consider economic impacts significant only if they can be tied to direct physical (blighting) impacts.

The qualitative nature of "blight" is not accurately defined; nor is the way to accurately quantify the many forces that create "blight." While this report does not quantify "blighting" impacts, it does quantify two important indicators of economic impacts that may reveal market distress.

Two specific economic impact indicators are examined in this economic impact analysis. The first addresses the retail sales impact of the proposed project upon competitive businesses within the affected trade areas. The market share of proposed project is estimated to assess any market area dominance. Market area dominance by the proposed project, for the purposes of this report, occurs if the proposed project exceeds 10-15% of competitive trade area market share.

The second addresses the project's impact on trade area retail store inventory as it relates to property occupancy and vacancy. The estimated vacancy rate for competitive retail space is estimated to assess the impact of the proposed project. A high vacancy rate, above the 5% structural rate normal for turnover, may suggest distressed retail businesses and empty retail stores.

The scope of this study is limited to the economic impacts of the proposed project on competitive retail store sales and real estate performance within the affected market trade areas. Characteristics of the proposed project used in this analysis are consistent with the project's Screencheck EIR.

The approach used in this analysis is structured to provide comparable worst-case estimates of impacted retail sales performance and retail store occupancy performance. Existing conditions are compared to likely future conditions with and without the proposed project. The difference between future conditions with the proposed project and conditions without the proposed project will reflect the project's trade area economic impacts. Economic impact findings are based upon this analytic comparison of current retail conditions and future retail conditions.

This analysis uses worst-case assumptions to estimate the magnitude of economic impacts. The impacts reflecting this worst-case scenario are thus overstated in order to avoid diminishing the magnitude of any potential impacts. The use of assumptions more reflective of likely market impacts would be less pronounced in magnitude than those indicated by worst-case scenario.

B. Methods

A market analysis of competitive trade area retail demand (sales) and supply (retail store floor area) is used to assess the economic impacts of the proposed project. The market analysis considers existing market conditions and future (2010) market conditions.

Demand is based upon existing and projected retail expenditures within the analyzed trade areas. Retail sales are in current 2005 dollar value with

no inflation or deflation assumed. The most current retail sales data available are used. Retail sales are limited to stores that sell goods, not providing services.

The distribution of future retail sales between the proposed project and competitive stores will reveal the project's future sales impacts. Future sales will be affected by the retail sales captured by the proposed project. The extent of the retail sales redistribution induced by the proposed project indicates the degree of economic impact for each retail category. The greater the future redistribution of sales away from existing stores to stores located in the proposed project, the greater the economic impact of the proposed project on existing competitive retail businesses.

Supply is based upon an inventory of competitive retail stores within the trade areas conducted in May of 2006. This includes all retail center stores and larger free-standing retail stores. Similarly, known competitive future retail projects are included in the supply analysis.

The balance between future retail demand (sales) and future retail supply (stores) indicates the utilization of the supply. Retail store vacancy reveals a market oversupply of retail store floor space.

Radius distances of 1.5, 3.0 and 5.0 miles from the project site are used to delineate the boundaries of the retail trade areas. Retail sales, demographic and income information reported by jurisdiction are converted into radially defined trade areas.

C. Retail Trade Areas

The proposed project will have a direct impact upon the distribution of retail sales within a competitive market trade area. A circular trade area, defined as a radius distance from the proposed site, is best suited to assess the retail market for this area where significant geographic barriers present little hindrance to site accessibility.

Three competitive trade areas are examined in this analysis: 1.5-mile, 3.0-mile and 5.0 mile radius from the project site. This analysis also examines the economic impacts of the proposed project upon a larger 10-mile radius trade area to consider wider potential economic impacts. This 10-mile radius is sufficient to assess the economic impacts of the proposed project. No existing commercial areas were identified outside of the 10-mile radius that might be particularly sensitive to the proposed project.

The primary impact area for the proposed project is considered the 5-mile radius trade area typically applied to community level retail goods stores

such as the proposed project. The bulk of the proposed project's floor area is assumed to sell goods competitive with other large community level retailers. The analysis focuses upon the 5-mile radius trade area as the competitive trade area for the proposed project.

The 5-mile primary trade area is also applicable for this study since there are two nearby operating Wal-Mart stores, each located approximately 10 miles from the proposed site. The trade area boundaries for the Wal-Mart stores are 5-miles in radius.

The proposed project is located in a rapidly growing area and serving the increasing retail demand for the area. Economic impacts associated with the proposed project will not directly impact commercial districts outside of the 5-mile trade area. Moreno Valley commercial districts are within the primary trade area. There is no traditional multi-function "downtown" in Moreno Valley because of its recent rapid growth. Downtown Riverside is beyond the 10-mile radius. The downtown Riverside district is primarily a cultural, judicial and administrative center. It does not compete with retailers like the proposed project and is therefore not likely to be directly impacted (see Downtown Riverside Specific Plan.)

Section 4. RETAIL MARKET DEMAND

Retail stores depend upon consumer expenditures to sustain business. The proposed project will compete for consumer expenditures (sales) against other similar existing and future stores. Understanding the amount and character of existing and future retail demand by each retail category of goods is necessary to assess and estimate the economic impact of the proposed project within the trade area.

The source of retail demand is primarily household income. A portion of annual household income is spent to purchase retail goods at competitive stores within the trade area. The sum of all the retail spending by households within the trade area reflects the total retail market demand. The amount of actual and potential retail market demand is related to the amount of household income in the trade area.

Table 2 presents the main demographic and income features of the trade areas. These estimates are from ESRI, a commonly used source of

professional demographic and marketing information. Many variables, including current and historic population, households and per capita

Table 2:
Trade Area Population and Income

Trade Area/Year	2000	2005	2010
1.5 Mile Radius			
Population	13,643	16,341	19,720
Household	4,078	4,850	5,818
Per Capita Income	\$17,740	\$21,397	\$25,743
3.0 Mile Radius			
Population	73,048	88,038	106,351
Household	22,452	26,941	32,429
Per Capita Income	\$17,299	\$20,961	\$25,043
5.0 Mile Radius			
Population	192,735	229,985	276,783
Household	58,180	69,047	82,773
Per Capita Income	\$17,492	\$21,134	\$25,256

Source: AGAJANIAN & Associates

income, are collected for small geographical areas and used to estimate actual and potential retail market demand for specific trade areas. Estimating methods applied by ESRI utilize the most current local, state and federal government and business data available. These characteristics are detailed in the Appendix A for the proposed project's trade area.

Table 2 indicates that each trade area, from 1.5 to 5.0-miles, encompasses a larger number of residents and households. The primary trade area (5.0-mile radius) has a current population of 229,985 and 69,047 households. The average per capita income for the trade area is \$21,134. Population, households and per capita income are estimated to increase to 276,783, 82,773 and \$25,256 respectively by 2010 within the primary trade area.

A. Existing Market Demand

Retail market demand is reflected by its potential and its actual performance. The current (2005) trade area retail sales estimates are derived from North American Industry Classification System (NAICS) retail sales (44-45) and food & drink (722) information for the trade areas. These retail sales statistics are detailed in Appendix C.

Actual retail sales differ from potential retail sales. Actual sales reflect the spending reported by stores within the trade area. Potential retail sales

reflect the amount of retail spending expected from the households within the trade area, regardless of where the spending takes place. This analysis uses actual retail sales to establish a current trade area retail sales baseline.

Certain retail categories of goods and services are excluded from gross retail sales to more accurately reflect the competitive nature of the proposed project. Specifically, the following NAICS retail sales categories have been removed from consideration.

Automotive Dealers (4411)
 Other Motor Vehicle Dealers (4412)
 Gas Stations (4471)
 Non-store Retailers (454)

All other NAICS reported retail sales for goods within the primary trade area are considered competitive to the proposed project. Sales for retail services are excluded. Sales from cinemas, gyms, banks, and other retail (consumer) services are not considered directly or significantly affected by the proposed project.

The retail sales reporting categories have been modified for this analysis. Specifically,

Electronic & Appliance Stores (4431) is added to
 Furniture & Home Furnishings Stores (442)

Health & personal Care Stores (4461) is added to
 Food & Beverage Stores (445)

Table 3:
2005 Trade Area Retail Sales Estimates

Retail Use/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
Apparel	\$42,615,954	\$47,926,763	\$71,866,103
General Merchandise	\$107,530,866	\$192,842,811	\$410,165,532
Food Stores	\$38,396,594	\$124,050,514	\$317,141,014
Eating and Drinking	\$14,827,026	\$100,368,864	\$202,483,165
Household	\$11,893,505	\$24,010,526	\$68,788,696
Building Materials	\$21,249,263	\$26,507,467	\$38,505,860
Automotive	\$3,215,010	\$16,992,469	\$41,291,043
Other Retail Stores	\$9,320,733	\$14,277,791	\$24,915,190
Total	\$249,048,951	\$546,977,205	\$1,175,156,603

See Appendix for detailed tables.

"Food stores" include liquor and pharmacy uses.

Motor vehicle sales, gas stations and "nonstore" retail sales are excluded.

Source: AGAJANIAN & Associates; ESRI

The sales statistics indicate that retail expenditure in the primary trade area amounted to an estimated \$1,175,156,000 in 2005. The largest shares of retail expenditures were made in general merchandise stores, food stores, and eating establishments. The annual 2005 retail sales estimates are based upon the most current information available.

B. Future Market Demand

Future trade area retail sales will be dependent upon the growth of households and household income. Table 4 presents the current and projected retail sales for all trade areas. Future sales estimates assume the same proportion of retail spending to income as exists currently. Gross future retail sales are distributed to categories of retail goods based upon the same proportions that these categories represent in current retail sales, as indicated on Table 5.

Population and income growth will increase retail demand through 2010. The primary trade area is expected to reach \$1,690,124,000 in retail sales by 2010. This large increase reflects the rapid growth of residential uses within the primary trade area.

Overall, the 1.5, 3.0, and 5.0-mile radius trade areas are expected to reach \$361,592,378, \$789,432,484 and \$1,690,123,777 of annual competitive retail sales respectively by 2010, as detailed on Table 6. This represents an increase of \$515,000,000, or a 43.86% increase in sales in the competitive trade area since 2005, as detailed on Table 7. Merchandise stores, food stores and eating establishments are projected to experience the largest absolute gains in sales.

Table 4:
Current and Future Retail Sales Estimates

Year/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
2005			
Population	16,341	88,038	229,985
Per Capita Income	\$21,397	\$20,961	\$21,134
Total Income	\$349,648,377	\$1,845,364,518	\$4,860,502,990
Retail Sales	\$249,048,951	\$546,977,205	\$1,175,156,603
% Sales of Income	71.2%	29.6%	24.2%
2010			
Population	19,720	106,351	276,783
Per Capita Income	\$25,743	\$25,043	\$25,256
Total Income	\$507,651,960	\$2,663,348,093	\$6,990,431,448
% Sales of Income	71.2%	29.6%	24.2%
Retail Sales	\$361,592,378	\$789,432,484	\$1,690,123,777

Source: AGAJANIAN & Associates

Table 5:
2005 Retail Sales Distribution

Retail Use/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
Apparel	17.1%	8.8%	6.1%
General Merchandise	43.2%	35.3%	34.9%
Food Stores	15.4%	22.7%	27.0%
Eating and Drinking	6.0%	18.3%	17.2%
Household	4.8%	4.4%	5.9%
Building Materials	8.5%	4.8%	3.3%
Automotive	1.3%	3.1%	3.5%
Other Retail Stores	3.7%	2.6%	2.1%
Total	100%	100%	100%

Source: AGAJANIAN & Associates

Table 6:
2010 Trade Area Retail Sales Estimates

Retail Use/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
Apparel	\$61,873,797	\$69,170,970	\$103,358,658
General Merchandise	\$156,123,290	\$278,323,078	\$589,904,798
Food Stores	\$55,747,738	\$179,037,635	\$456,115,863
Eating and Drinking	\$21,527,252	\$144,858,764	\$291,213,623
Household	\$17,268,094	\$34,653,527	\$98,932,696
Building Materials	\$30,851,652	\$38,257,272	\$55,379,572
Automotive	\$4,667,850	\$24,524,618	\$59,385,254
Other Retail Stores	\$13,532,705	\$20,606,621	\$35,833,314
Total	\$361,592,378	\$789,432,484	\$1,690,123,777

Source: AGAJANIAN & Associates

C. Retail Support

Future growth in retail sales can support additional retail store space. The estimated retail sales growth between 2005 and 2010 can be converted into supportable retail store floor area (in square feet.) Modified retail sales generation rates by type of store are applied to determine the amount of retail space supportable by the growth of retail spending in the trade areas, as indicated on Table 8.

Table 7:
2005-2010 Trade Area Retail Sales Growth

Retail Use/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
Apparel	\$19,257,843	\$21,244,207	\$31,492,555
General Merchandise	\$48,592,424	\$85,480,267	\$179,739,266
Food Stores	\$17,351,144	\$54,987,121	\$138,974,849
Eating and Drinking	\$6,700,226	\$44,489,900	\$88,730,458
Household	\$5,374,589	\$10,643,001	\$30,144,000
Building Materials	\$9,602,389	\$11,749,805	\$16,873,712
Automotive	\$1,452,840	\$7,532,149	\$18,094,211
Other Retail Stores	\$4,211,972	\$6,328,830	\$10,918,124
Total	\$112,543,427	\$242,455,279	\$514,967,174

Source: AGAJANIAN & Associates

Table 8:
2005-2010 Trade Area Retail Support (SF)

Retail Use/Trade Area	1.5 Mile	3.0 Mile	5.0 Mile
Apparel	64,193	70,814	104,975
General Merchandise	138,835	244,229	513,541
Food Stores	43,378	137,468	347,437
Eating and Drinking	14,106	93,663	186,801
Household	15,356	30,409	86,126
Building Materials	38,410	46,999	67,495
Automotive	5,283	27,390	65,797
Other Retail Stores	18,720	28,128	48,525
Total	338,280	679,100	1,420,697

Source: AGAJANIAN & Associates

Estimates of retail support indicate that an additional 1,420,697 SF of retail space can be feasibly sustained in the primary trade area by 2010, as indicated on Table 8. The largest additions of supportable space are for general merchandise stores (513,541 SF), food stores (347,473 SF) and eating establishments (186,801 SF). Up to 320,000 SF of additional retail floor area may be supportable within the primary 5.0-mile trade area by 2010.

Section 5. RETAIL MARKET SUPPLY

The competitive retail supply in a trade area reflects the available leasable store space. The available leasable space can be occupied or vacant. The occupancy rate is a measure of how much retail space can be supported with the available trade area demand. The vacancy rate is a measure of the unused portion of the supply. Some of the vacant space is no longer competitive due to parking, access, visibility or changing demographics. Other vacant space is empty because there is not enough demand to fill the available supply. Without retail demand growth these vacant stores will not be occupied and will eventually be converted other land uses.

A. Existing Market Supply

An inventory of competitive retail store space was compiled from published information, a field survey conducted in May of 2006 and telephone conversations with local officials and professionals. The detailed inventory of retail space is presented in Appendix B-1.

The inventory of retail space excluded certain types of existing retail store space because they do not directly compete with uses in the proposed project. Commercial service uses, such as hotels, cinemas and gyms, are excluded because the proposed project does not directly compete with them. Convenience retail, such as gas stations, mini-marts and fast foods are excluded because it tends to be very localized and not directly impacted by uses in an anchored retail center.

The inventory reports commercial service uses in retail centers, such as video stores, salons and financial offices. Retail store vacancies are also reported if they are available for retail stores. Details of the retail store inventory are presented in the Appendix B-1.

As indicated on Table 9, the gross leasable area of competitive retail store space is estimated at 7,845,771 SF in the 5-mile trade area. This estimate includes the existing Wal-Mart store, which is assumed to be occupied with another retail use. Retail goods stores occupy 6,188,508 SF to total available space while retail services occupy 1,196,163 SF of space.

Vacant space accounts for 461,100 SF of the total supply. The primary trade area currently has 7,348,671 SF of occupied retail space. This represents a primary trade area retail supply occupancy rate of 94.1% and a vacancy rate of 5.9%.

Table 9:**Summary 2006 Trade Area Retail Store Market (SF)**

Retail Stores	Trade Area Radius		
	1.5-Mile	3.0-Mile	5.0-Mile
Gross Leasable Area	3,336,202	5,297,890	7,845,771
Occupied	3,223,102	4,990,790	7,384,671
Services	264,506	760,845	1,196,163
Retail Stores	2,958,596	4,229,945	6,188,508
Vacant	113,100	307,100	461,100
Vacancy Rate	3.4%	5.8%	5.9%

Source: AGAJANIAN & Associates

The 1.5-mile trade area has an inventory of 3,336,202 SF. This indicates that the trade area has a high concentration of retail stores. Indeed, the site is located in a major concentration of retail uses.

The retail goods store profile for each trade area is presented on Table 10 and detailed in Appendix B-2. General merchandise stores account for the 2,613,158 SF of the primary trade area, the largest share of the retail store inventory. Food stores and eating establishments also represent a large portion of the existing primary trade area retail supply.

Table : 10**Summary of Trade Area Competitive Retail Store Inventory by Type of Goods (SF)**

Trade Area/Center	Retail		General	Food	Eating/	House-	Building	Other	
	Goods	Apparel	Merch.	Stores	Drinking	Hold	Material	Auto	Retail
1.5 Mile Radius	2,958,596	394,100	1,720,973	100,000	295,473	328,050	120,000	0	0
1.5 to 3.0-Mile Radius	1,271,349	55,076	404,185	351,000	212,088	49,000	140,000	0	60,000
3.0 to 5.0-Mile Radius	1,958,563	64,000	488,000	788,563	237,000	102,000	164,000	102,000	13,000
Total Trade Area	6,188,508	513,176	2,613,158	1,239,563	744,561	479,050	424,000	102,000	73,000

Source: AGAJANIAN & Associates

B. Future Market Supply

The trade area is expected to add competitive retail space with projects that are currently under construction, approved or planned. These competitive retail projects are presented on Table 11 and detailed in the Appendix B-3. An estimated 1,161,251 SF of cumulative new competitive retail space is assumed added to the future supply in the 5.0-mile trade area. Commercial centers account for 1,075,251 SF of future competitive

added space. The balance of future space is made up of known retail uses including 32,000 SF of general merchandise, 20,000 SF of electronics, and 22,000 SF of eating and drinking establishments.

With the addition of "under construction," "approved" and "planned" competitive retail projects, the primary trade area will increase retail store supply to an estimated 9,007,022 SF of retail space, as indicated on Table 11. Demand for retail space in 2010 is estimated at 8,805,368 SF, when currently occupied retail space and 2005-2010 supportable retail space growth are combined. The demand and supply balance indicate that there will be an oversupply of retail space of 201,654 SF in the primary trade area. This small oversupply of space appears as a 2010 retail vacancy rate of 0.0% in the 5-mile trade area without consideration of the proposed project.

Table 11:
Summary 2010 Trade Area Retail Store Market (SF)

Retail Stores	Trade Area Radius		
	1.5-Mile	3.0-Mile	5.0-Mile
Supply			
2006 GLA	3,336,202	5,297,890	7,845,771
Under Const./Approved	1,161,251	1,161,251	1,161,251
2010 GLA	4,497,453	6,459,141	9,007,022
Demand			
Occupied	3,223,102	4,990,790	7,384,671
'05-'10 Retail Demand	338,280	679,100	1,420,697
2010 Supportable GLA	3,561,382	5,669,890	8,805,368
Vacancy			
'2010 Vacancy	936,071	789,251	201,654
Vacancy Rate	26.3%	13.9%	2.2%

Source: AGAJANIAN & Associates

Section 6: PROJECT ECONOMIC IMPACTS

The economic impacts analysis of the proposed project addresses two issues. The first issue addresses the retail sales impact of the proposed project upon competitive businesses within the affected trade areas. The second issue addresses the project's impact on trade area retail store space inventory as it relates property occupancy and vacancy.

A. Project Impact on Retail Businesses

The proposed project will have an economic impact on competitive retail businesses to the extent that the proposed project captures available retail sales away from other similar retailers. The analysis examines trade area conditions in 2010 when additional supply has been added and population and income growth have increased retail demand.

Table 12 presents a summary of the economic impact of the proposed project on future retail sales by retail store category. The retail sales projected for the proposed project is assumed to be captured. The economic impact of the proposed project is measured in the percent of the available 2010 retail sales that is captured by the proposed project.

Table 12:
2010 Retail Sales Impact by Trade Area

Retail Stores	Project	1.5-Mile Trade Area		3.0-Mile Trade Area		5.0-Mile Trade Area	
	\$ Sales	\$ Sales	% Capture	\$ Sales	% Capture	\$ Sales	% Capture
Apparel	\$0	\$61,873,797	0.0%	\$69,170,970	0.0%	\$103,358,658	0.0%
General Merchandise	\$54,950,000	\$156,123,290	35.2%	\$278,323,078	19.7%	\$589,904,798	9.3%
Food Stores	\$24,000,000	\$55,747,738	43.1%	\$179,037,635	13.4%	\$456,115,863	5.3%
Eating and Drinking	\$2,850,000	\$21,527,252	13.2%	\$144,858,764	2.0%	\$291,213,623	1.0%
Household	\$0	\$17,268,094	0.0%	\$34,653,527	0.0%	\$98,932,696	0.0%
Building Materials	\$0	\$30,851,652	0.0%	\$38,257,272	0.0%	\$55,379,572	0.0%
Automotive	\$2,200,000	\$4,667,850	47.1%	\$24,524,618	9.0%	\$59,385,254	3.7%
Other Retail Stores	\$900,000	\$13,532,705	6.7%	\$20,606,621	4.4%	\$35,833,314	2.5%
Total Project	\$84,900,000	\$361,592,378	23.5%	\$789,432,484	10.8%	\$1,690,123,777	5.0%

Source: AGAJANIAN & Associates

Overall, the proposed project will impact retail sales by 5.0% within the 5-mile trade area. That is, the proposed project will need to capture 5.0% of the available primary trade area 2010 retail demand to sustain its operations.

The proposed project is expected to have the largest impact upon general merchandise stores, since they are project's major retail competitors. The proposed project will need to capture 9.3% of all 2010 primary trade area retail sales, or \$54,950,00 of the available \$589,904,798. Food stores and automotive stores may also be impacted, but to a smaller extent.

B: Project Impact on Retail Vacancy

The proposed project will add 235,000 SF of retail space in the trade areas. When added to the existing and cumulative future retail supply the total trade area supply will reach 9,242,022 SF of retail inventory for the 5.0-mile trade area, as indicated on Table 13.

The 2010 primary trade area retail sales are able to support 8,505,368 SF of retail space. This suggests that the retail vacancy rate for the primary trade area in 2010 will be an estimated 4.7%. Such a vacancy rate would indicate a balance between supply and demand of retail space when the structural vacancy rate, needed to accommodate normal turnover, can range from 5-10%.

Table 13:
2010 Project Impact on Retail Store Market (SF)

Retail Stores	Trade Area Radius		
	1.5-Mile	3.0-Mile	5.0-Mile
Supply			
Proposed Project	235,000	235,000	235,000
2010 GLA	4,497,453	6,459,141	9,007,022
Total 2010 GLA	4,732,453	6,694,141	9,242,022
Demand			
2010 Supportable GLA	3,561,382	5,669,890	8,805,368
Vacancy			
2010 Vacancy	936,071	789,251	201,654
Proposed Project	235,000	235,000	235,000
Total 2010 Vacancy	1,171,071	1,024,251	436,654
Vacancy Rate	24.7%	15.3%	4.7%

Source: AGAJANIAN & Associates

As an extended examination this analysis considered the impacts of the project upon an even larger trade area of 10.0-mile radius. Under construction, approved and planned projects outside of the primary trade area are identified and presented on Appendix Table B-4. About 35,000 SF of competitive retail projects were identified as under construction, approved or planned.

The existing retail store supply in the extended trade area is estimated at 835,760 SF, as detailed in Appendix B-5. There are 1,000 SF of vacant space for the extended trade area, or a vacancy rate of 0.0%. All of the occupied space, except 15,000 SF of services, is for retail goods stores.

With only 35,000 SF of cumulative projects and a 0.0% vacancy rate the market supply in the extended trade area, if included into the primary trade area, would not change the 2010 primary trade area vacancy rate of 4.7%. Thus, even when considering the supply and cumulative projects outside the primary trade area, the impacted vacancy rate is still near the structural vacancy rate. Consequently, the project is not expected to have significant vacancy impacts upon the primary or extended trade areas.

Section 7: ECONOMIC IMPACT FINDINGS

This economic impact analysis closely examined the worst-case economic impacts of the proposed Wal-Mart Supercenter at Canyon Crossing retail project on competitive retail conditions in three trade areas. Economic impacts on trade area retail demand and supply conditions induced by the proposed project were estimated and presented.

This economic impact analysis supports the following findings:

- ▶ **The proposed Wal-Mart Supercenter project is a large community level retail center located in a rapidly growing and highly competitive (5.0-mile radius) retail market.**

The project is a 235,000 SF general merchandise anchor. This project represents 3.0% of the existing retail supply and 2.6% of the 2010 retail supply.

The existing 5.0-mile trade area has 7,845,771 SF of competitive retail space. There are 1,161,251 SF of competitive retail projects in the trade area that are under construction, approved or planned for development amounting to a 2010 supply of 9,007,022 SF of retail space.

- ▶ **Retail demand is growing rapidly in the trade area as a result of growing population and increasing incomes.**

Retail sales in the competitive trade area will increase rapidly from \$1,175,156,603 in 2005 to \$1,690,123,777 in 2010. The trade area indicates that the ratio of household retail expenditure to household income is at 24.2%.

Trade area growth is estimated to generate an additional \$515,000,000 in annual retail sales by 2010.

Retail sales growth in the trade area can support an additional 1,420,697 SF of retail store space by 2010.

► **The proposed project will have little sales impact upon future primary trade area competitive stores.**

The project is estimated to capture 5.0% of the available 2010 trade area retail sales demand.

General merchandise stores will be impacted the greatest by the proposed project. About 9.3% of the available 2010 retail demand for general merchandise is captured by the proposed project. This amount, however, is not a significant market share. Food and automotive stores may also be competitively impacted by the proposed project, but not significantly.

► **The retail supply will not experience significant market vacancy as a result of the proposed project.**

The proposed project will induce a 2010 retail supply vacancy rate of 4.7% in the primary trade area. Down from an existing 5.9% retail supply vacancy rate.

► **The worst case scenario has been used in this analysis. The impacts would be less pronounced if the analysis used less stringent assumptions.**

The analysis assumes that all vacant retail space is equally competitive and will be occupied by retail stores; not used for retail services or reused for offices.

Similarly, the analysis assumes that the proposed project will capture all the available retail sales needed at the expense of existing stores.

APPENDIX

**Appendix A
Trade Area Map and
Demographic and Income Estimates**

**Appendix B
Trade Area Competitive Retail Supply Inventory**

**Appendix C
Trade Area Retail Sales Estimates (NAICS)**

APPENDIX A

Trade Area Map

Trade Area Demographic and Income Estimates



Demographic and Income Profile

AGAJANIAN & Associates

Project Site

Latitude: 33.9401

Longitude: -117.2877

Site Type: Radius

Radius: 1.5 miles

Summary	2000	2005	2010
Population	13,643	16,341	19,720
Households	4,078	4,850	5,818
Families	3,136	3,722	4,459
Average Household Size	3.34	3.37	3.39
Owner Occupied HUs	2,471	3,030	3,695
Renter Occupied HUs	1,607	1,820	2,123
Median Age	28.4	28.7	29.8

Trends: 2005-2010 Annual Rate	Area	State	National
Population	3.83%	1.33%	1.22%
Households	3.71%	1.19%	1.27%
Families	3.68%	1.18%	1.00%
Owner HHs	4.05%	1.61%	1.46%
Median Household Income	3.01%	3.53 %	3.25%

	2000		2005		2010	
Households by Income	Number	Percent	Number	Percent	Number	Percent
< \$15,000	497	12.0%	465	9.6%	479	8.2%
\$15,000 - \$24,999	464	11.2%	436	9.0%	414	7.1%
\$25,000 - \$34,999	552	13.3%	512	10.6%	499	8.6%
\$35,000 - \$49,999	642	15.4%	760	15.7%	824	14.2%
\$50,000 - \$74,999	917	22.1%	1,002	20.7%	1,141	19.6%
\$75,000 - \$99,999	635	15.3%	679	14.0%	799	13.7%
\$100,000 - \$149,999	358	8.6%	732	15.1%	1,070	18.4%
\$150,000 - \$199,000	67	1.6%	184	3.8%	336	5.8%
\$200,000+	24	0.6%	79	1.6%	253	4.4%
Median Household Income	\$47,800		\$55,254		\$64,080	
Average Household Income	\$55,224		\$67,064		\$80,718	
Per Capita Income	\$17,740		\$21,397		\$25,743	

	2000		2005		2010	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,213	8.9%	1,454	8.9%	1,763	8.9%
5 - 14	2,609	19.1%	2,784	17.0%	3,071	15.6%
15 - 19	1,177	8.6%	1,388	8.5%	1,593	8.1%
20 - 24	1,163	8.5%	1,422	8.7%	1,822	9.2%
25 - 34	2,060	15.1%	2,620	16.0%	3,476	17.6%
35 - 44	2,260	16.6%	2,319	14.2%	2,482	12.6%
45 - 54	1,748	12.8%	2,264	13.9%	2,571	13.0%
55 - 64	710	5.2%	1,199	7.3%	1,840	9.3%
65 - 74	441	3.2%	524	3.2%	628	3.2%
75 - 84	216	1.6%	294	1.8%	363	1.8%
85+	44	0.3%	73	0.4%	108	0.5%

	2000		2005		2010	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	6,893	50.5%	7,749	47.4%	8,857	44.9%
Black Alone	2,227	16.3%	2,583	15.8%	3,007	15.2%
American Indian Alone	103	0.8%	118	0.7%	135	0.7%
Asian Alone	1,216	8.9%	1,544	9.4%	1,945	9.9%
Pacific Islander Alone	68	0.5%	74	0.5%	85	0.4%
Some Other Race Alone	2,290	16.8%	3,110	19.0%	4,183	21.2%
Two or More Races	846	6.2%	1,162	7.1%	1,508	7.6%
Hispanic Origin (Any Race)	4,818	35.3%	6,497	39.8%	8,689	44.1%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Project Site

Demographic and Income Profile

AGAJANIAN & Associates

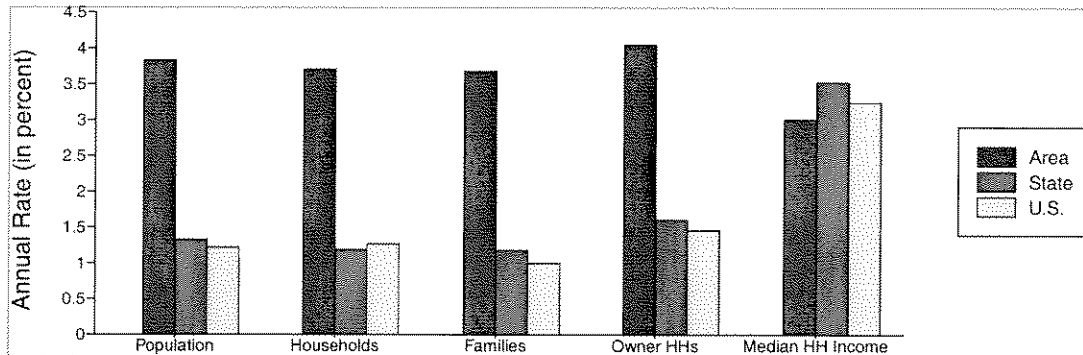
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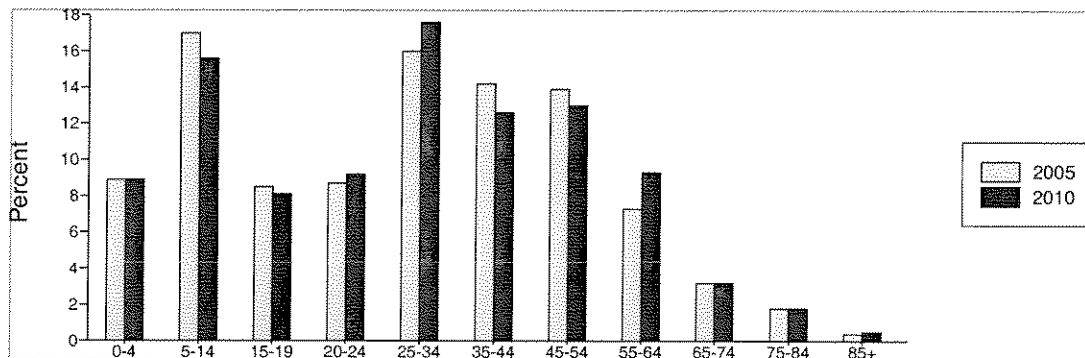
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Site Type: Radius

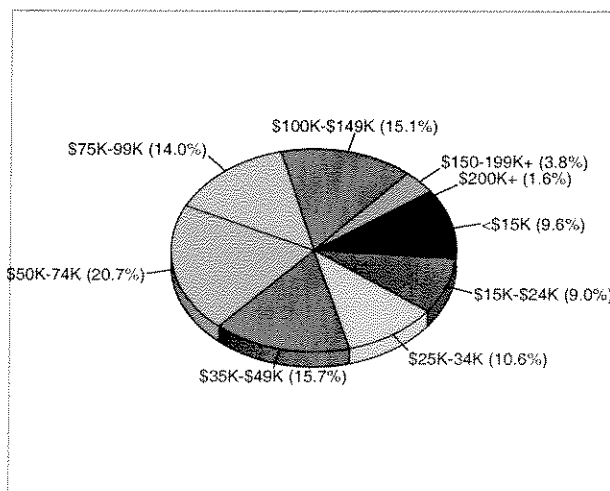
Trends 2005-2010



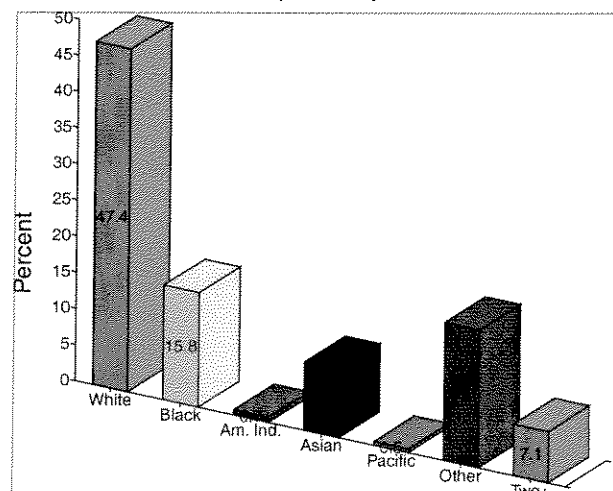
Population by Age



2005 Household Income



2005 Population by Race



2005 Percent Hispanic Origin: 39.8%



Demographic and Income Profile

AGAJANIAN & Associates

Project Site

Latitude: 33.9401

Longitude: -117.2877

Site Type: Radius

Radius: 3.0 miles

Summary	2000	2005	2010
Population	73,048	88,038	106,351
Households	22,452	26,941	32,429
Families	17,219	20,647	24,838
Average Household Size	3.20	3.22	3.24
Owner Occupied HUs	13,205	16,281	19,744
Renter Occupied HUs	9,247	10,660	12,685
Median Age	27.4	28.0	29.1
Trends: 2005-2010 Annual Rate	Area	State	National
Population	3.85%	1.33%	1.22%
Households	3.78%	1.19%	1.27%
Families	3.77%	1.18%	1.00%
Owner HHs	3.93%	1.61%	1.46%
Median Household Income	3.06%	3.53 %	3.25%

	2000		2005		2010	
Households by Income	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,726	12.1%	2,696	10.0%	2,785	8.6%
\$15,000 - \$24,999	2,653	11.8%	2,719	10.1%	2,648	8.2%
\$25,000 - \$34,999	2,754	12.3%	2,737	10.2%	2,826	8.7%
\$35,000 - \$49,999	3,805	16.9%	4,326	16.1%	4,547	14.0%
\$50,000 - \$74,999	4,698	20.9%	5,242	19.5%	6,168	19.0%
\$75,000 - \$99,999	2,979	13.3%	3,666	13.6%	4,265	13.2%
\$100,000 - \$149,999	2,255	10.0%	4,048	15.0%	5,659	17.4%
\$150,000 - \$199,000	393	1.7%	930	3.5%	2,078	6.4%
\$200,000+	208	0.9%	578	2.1%	1,454	4.5%
Median Household Income	\$46,512		\$53,812		\$62,551	
Average Household Income	\$55,975		\$67,649		\$81,386	
Per Capita Income	\$17,299		\$20,961		\$25,043	

	2000		2005		2010	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	6,472	8.9%	7,947	9.0%	9,766	9.2%
5 - 14	13,940	19.1%	14,945	17.0%	16,443	15.5%
15 - 19	7,318	10.0%	8,432	9.6%	9,639	9.1%
20 - 24	6,302	8.6%	8,118	9.2%	9,869	9.3%
25 - 34	10,476	14.3%	13,428	15.3%	18,087	17.0%
35 - 44	11,676	16.0%	12,225	13.9%	13,187	12.4%
45 - 54	8,669	11.9%	11,524	13.1%	13,905	13.1%
55 - 64	4,071	5.6%	6,222	7.1%	9,055	8.5%
65 - 74	2,482	3.4%	3,020	3.4%	3,684	3.5%
75 - 84	1,341	1.8%	1,715	1.9%	2,035	1.9%
85+	303	0.4%	460	0.5%	677	0.6%

	2000		2005		2010	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	36,472	49.9%	41,123	46.7%	46,905	44.1%
Black Alone	12,422	17.0%	14,451	16.4%	16,807	15.8%
American Indian Alone	623	0.9%	724	0.8%	833	0.8%
Asian Alone	6,024	8.2%	7,712	8.8%	9,747	9.2%
Pacific Islander Alone	308	0.4%	352	0.4%	414	0.4%
Some Other Race Alone	12,800	17.5%	17,592	20.0%	23,745	22.3%
Two or More Races	4,399	6.0%	6,083	6.9%	7,900	7.4%
Hispanic Origin (Any Race)	25,151	34.4%	34,349	39.0%	46,131	43.4%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Project Site

Demographic and Income Profile

AGAJANIAN & Associates

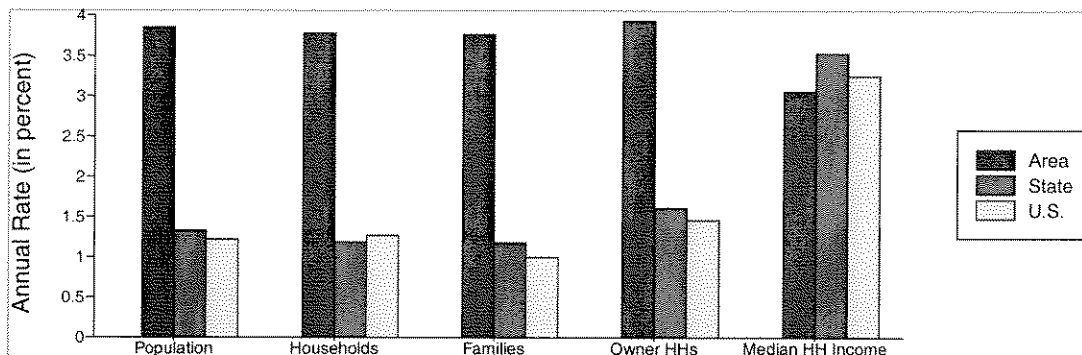
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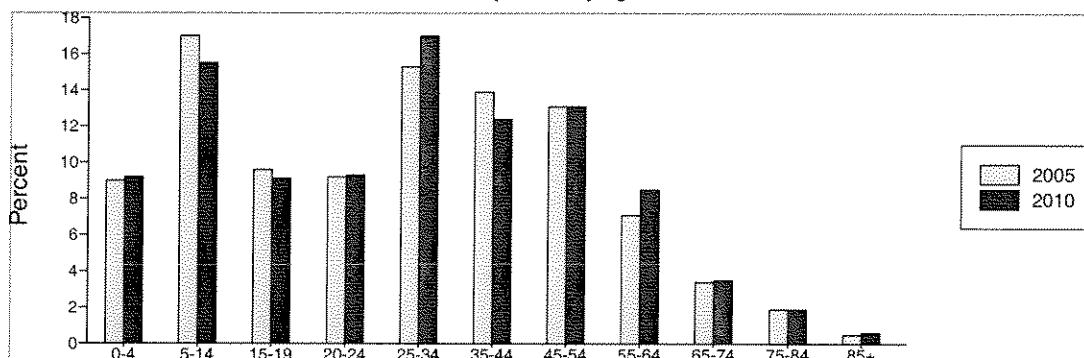
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Site Type: Radius

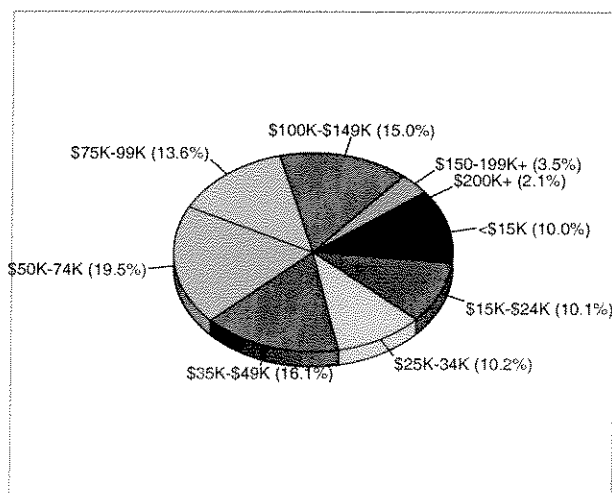
Trends 2005-2010



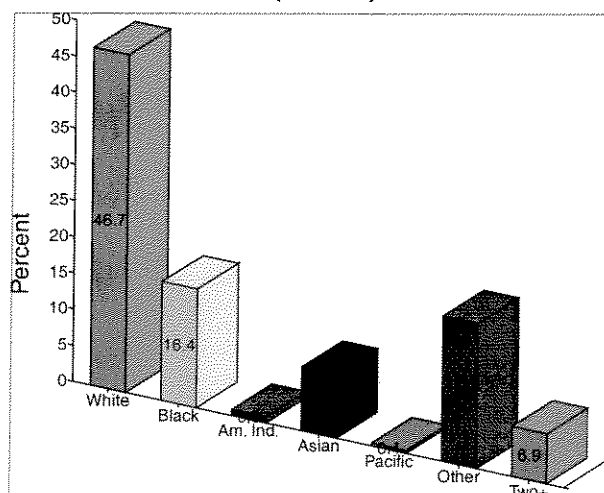
Population by Age



2005 Household Income



2005 Population by Race



2005 Percent Hispanic Origin: 39.0%



Demographic and Income Profile

AGAJANIAN & Associates

Project Site

Latitude: 33.9401

Longitude: -117.2877

Site Type: Radius

Radius: 5.0 miles

Summary	2000	2005	2010
Population	192,735	229,985	276,783
Households	58,180	69,047	82,773
Families	44,786	53,260	63,870
Average Household Size	3.26	3.29	3.31
Owner Occupied HUs	36,846	44,712	53,888
Renter Occupied HUs	21,334	24,335	28,885
Median Age	28.0	28.3	29.4

Trends: 2005-2010 Annual Rate	Area	State	National
Population	3.77%	1.33%	1.22%
Households	3.69%	1.19%	1.27%
Families	3.7%	1.18%	1.00%
Owner HHs	3.8%	1.61%	1.46%
Median Household Income	3.02%	3.53 %	3.25%

	2000		2005		2010	
Households by Income	Number	Percent	Number	Percent	Number	Percent
< \$15,000	8,561	14.7%	8,540	12.4%	8,915	10.8%
\$15,000 - \$24,999	6,460	11.1%	6,630	9.6%	6,698	8.1%
\$25,000 - \$34,999	6,348	10.9%	6,550	9.5%	6,785	8.2%
\$35,000 - \$49,999	9,329	16.0%	9,937	14.4%	10,334	12.5%
\$50,000 - \$74,999	12,135	20.8%	13,471	19.5%	15,490	18.7%
\$75,000 - \$99,999	7,503	12.9%	9,379	13.6%	11,041	13.3%
\$100,000 - \$149,999	5,800	10.0%	10,213	14.8%	14,036	17.0%
\$150,000 - \$199,000	1,134	1.9%	2,252	3.3%	5,214	6.3%
\$200,000+	969	1.7%	2,066	3.0%	4,251	5.1%
Median Household Income	\$47,040		\$54,251		\$62,950	
Average Household Income	\$57,390		\$69,457		\$83,561	
Per Capita Income	\$17,492		\$21,134		\$25,256	

	2000		2005		2010	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	15,903	8.3%	19,574	8.5%	24,112	8.7%
5 - 14	37,184	19.3%	38,641	16.8%	41,684	15.1%
15 - 19	19,314	10.0%	22,424	9.8%	25,267	9.1%
20 - 24	16,328	8.5%	22,329	9.7%	27,123	9.8%
25 - 34	25,939	13.5%	32,188	14.0%	44,335	16.0%
35 - 44	30,296	15.7%	31,022	13.5%	33,165	12.0%
45 - 54	23,247	12.1%	30,701	13.3%	36,877	13.3%
55 - 64	11,571	6.0%	17,098	7.4%	24,666	8.9%
65 - 74	7,449	3.9%	8,963	3.9%	10,953	4.0%
75 - 84	4,516	2.3%	5,425	2.4%	6,137	2.2%
85+	989	0.5%	1,619	0.7%	2,461	0.9%

	2000		2005		2010	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	97,956	50.8%	109,667	47.7%	124,872	45.1%
Black Alone	30,748	16.0%	35,474	15.4%	41,099	14.8%
American Indian Alone	1,655	0.9%	1,900	0.8%	2,177	0.8%
Asian Alone	14,731	7.6%	18,498	8.0%	23,202	8.4%
Pacific Islander Alone	827	0.4%	944	0.4%	1,098	0.4%
Some Other Race Alone	36,281	18.8%	49,030	21.3%	65,563	23.7%
Two or More Races	10,537	5.5%	14,472	6.3%	18,772	6.8%
Hispanic Origin (Any Race)	67,324	34.9%	90,907	39.5%	121,392	43.9%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Project Site

Demographic and Income Profile

AGAJANIAN & Associates

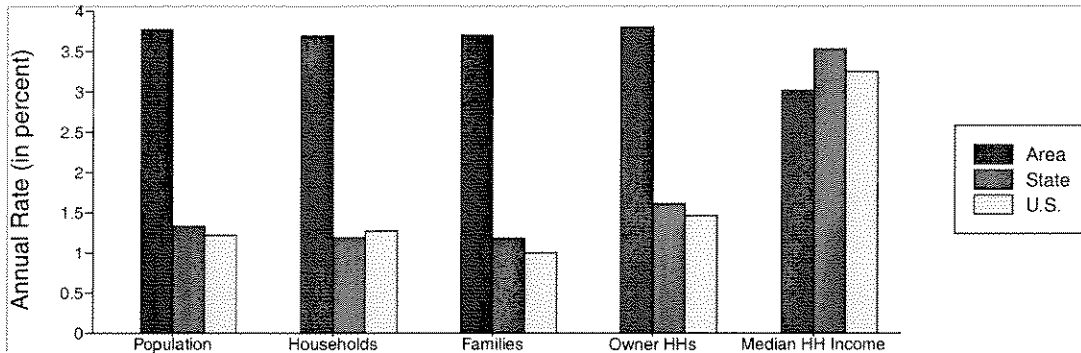
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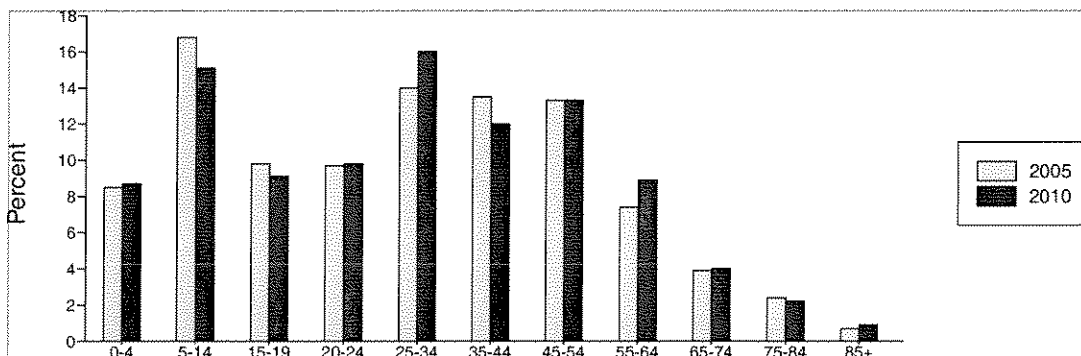
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Site Type: Radius

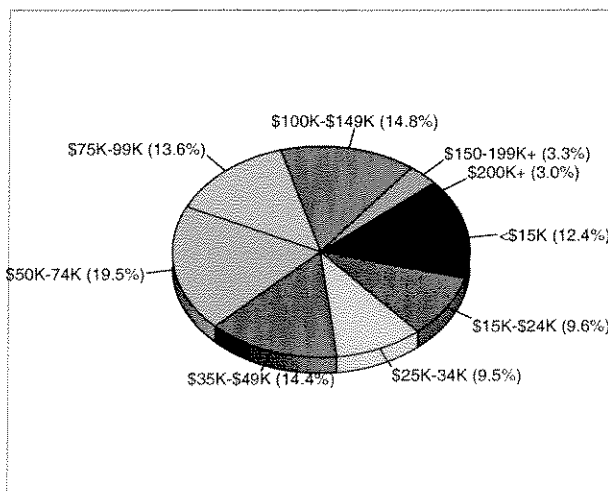
Trends 2005-2010



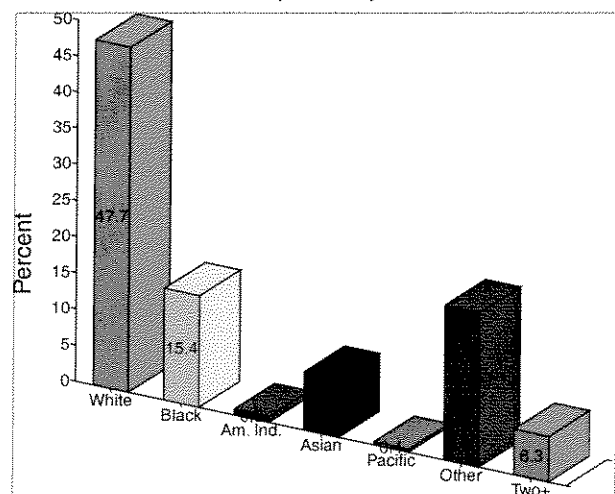
Population by Age



2005 Household Income



2005 Population by Race



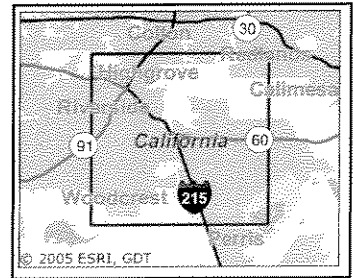
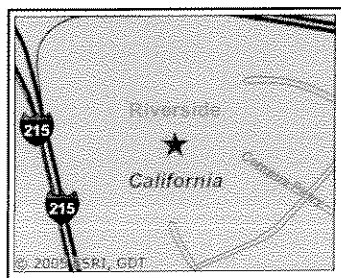
2005 Percent Hispanic Origin: 39.5%

Project Site

Site Map

AGA JANIAN & Associates
May 20, 2005

Latitude: 33.9401
Longitude: -117.2877



APPENDIX B

Trade Area Competitive Retail Store Supply

- B-1 Trade Area Competitive Retail Inventory**
- B-2 Trade Area Competitive Retail Inventory by Type of Goods**
- B-3 Trade Area Cumulative Retail Inventory**
- B-4 Other Cumulative Retail Inventory**
- B-5 Extended Trade Area Retail Inventory**

Appendix Table: B-1

Trade Area Competitive Retail Inventory (SF)

Trade Area/Center	Location	Anchor(s)	Year Built	Size GLA	Vacancy	Retail Services	Retail Goods
1.5 Mile Radius							
Canyon Crossings	Canyon Springs Pkwy. Riv.	Wal-Mart	2004	778,873	0	70,000	708,873
Canyon Springs Plaza	12125 Day Street, M.V.	Toys'R'Us, Cinemas	1988	413,150	55,000	90,100	268,050
Merchant's Square	12700 Day Street, M.V.	Costco	1992	441,000	0	0	441,000
Moreno Valley Mall	22500 Town Circle, M.V.	Gottschalk's, Sears	1992	1,035,273	0	20,000	1,015,273
Town Gate Plaza	22880 Centerpoint Dr., M.V.		1990	91,431	0	41,031	50,400
Towngate Center	12625 Fredrick Street, M.V.	Mervyn's, Ralphs	1988	371,475	58,100	28,375	285,000
Town Gate Crossing	NEC Day @ Canyon Springs, M.V.	Lowe's, Circuit City	2004	205,000	0	15,000	190,000
Total 1.5 Mile Radius				3,336,202	113,100	264,506	2,958,596
3.0 Mile Radius							
Pigeon Pass Plaza	11875 Pigeon Pass Rd., M.V.	Albertson's	1989	108,000	0	6,000	102,000
Plaza Del Sol	Alessandro @ Fredrick, M.V.		1952	95,600	45,000	20,600	30,000
Moreno Valley Plaza	23819 Sunnymead Blvd., M.V.	Big-5, Big Lot	1984	341,076	6,000	20,000	315,076
Ironwood Plaza	Ironwood @ Heacock, M.V.	El Centro	1986	58,500	0	14,000	44,500
Alessandro Plaza	23750 Alessandro Blvd., M.V.	Fitness	1990	83,307	0	63,307	20,000
Canyon Crest Town Cntr	5225 Canyon Crest Dr., M.V.	Ralph's, Cinemas	1979	248,974	0	153,974	95,000
Watkins Plaza	Big Springs @ Mt. Vernon, Riv.		n/a	21,185	0	8,000	13,185
M. V. Commerce Center	23890 Alessandro Blvd., M.V.		n/a	111,060	5,000	86,060	20,000
Festival at M.V.	24318 Hemlock Ave., M.V.		1989	202,588	127,000	0	75,588
Lakeshore Village	23575 Sunnymead Ranch, M.V.	Ralph's	1993	140,000	9,000	25,000	106,000
Mission Grove Plaza	375 Alessandro Blvd., Riv.	BigKMart, Cinema	1991	411,398	2,000	99,398	310,000
Home Depot	NWC Frederick @ Hemlock, M.V.	Home Depot	n/a	140,000	0	0	140,000
Total 1.5 to 3.0 Mile Radius				1,961,688	194,000	496,339	1,271,349

Source: AGAJANIAN & Associates

Appendix Table: B-1 (Continued)

Trade Area Competitive Retail Inventory (SF)

Trade Area/Center	Location	Anchor(s)	Year	Size GLA	Vacancy	Retail	Retail
			Built			Services	Goods
5.0 Mile Radius							
Sunnymead Plaza	Sunnymead @ Perris, M.V.	Stater, Goodyear	1983	119,000	0	20,000	99,000
M.V. Town Plaza	14501 Indian Ave., M.V.		1989	20,845	0	6,000	14,845
Moreno Valley Center	12252 Perris Blvd., M.V.	Sav-On	1990	100,000	0	24,000	76,000
Sunnymead Village	24685 Alessandro Blvd. M.V.	Stater's	1982	223,000	0	38,000	185,000
Butterfield Valley Village	25125 Sunnymead Blvd., M.V.	Cardenas, Rio Rancho	1986	184,655	0	9,000	175,655
Sunny Plaza	Perris @ Alessandro, Riv.		1987	24,000	0	12,000	12,000
Sunnymead Town Center	375 E Alessandro, Riv.	LA Fitness, Sav-On	1982	140,000	5,000	60,000	75,000
Bear Valley Shop Center	25050 Alessandro, M.V.	Albertson's	1984	93,000	50,000	13,000	30,000
Orangecrest Plaza	8938 Trautwein Rd., Riv.	Albertson's	1997	100,000	0	20,000	80,000
University Center	University @ Cranford, Riv.		n/a	22,063	0	15,000	7,063
University Heights S.C.	Blaine @ Iowa, Riv.	Big K-Mart, Statre's	1986	203,000	0	7,000	196,000
Center J	3849 Chicago Ave., Riv.	Food 4 Less, Kragen	n/a	170,000	0	38,000	132,000
JFK Plaza	14910 Perris Blvd., M.V.	Ranch Market	1989	89,318	0	15,318	74,000
Westgate Shop Center	15952 Perris Blvd., M.V.		1991	24,000	0	16,000	8,000
Center A	SWC Alessandro @ Perris, M.V.	Fiesta Foods, 99 Cent	n/a	215,000	40,000	25,000	150,000
Samantha Marketplace	NEC Perris @ Hemlock, M.V.	Food 4 Less, Kragen	n/a	126,000	0	25,000	101,000
Walgreen's	SWC Ironwood @ Perris, M.V.	Walgreen's	n/a	25,000	0	0	25,000
Sunnymead	NWC Alessandro @ Indian, M.V.	Food 4 Less	n/a	93,000	0	5,000	88,000
Home Depot	NWC Perris @ Iris, M.V.	Home Depot	2004	160,000	0	0	160,000
Plaza de Majorca	NEC Frederick @ Hemlock, M.V.		n/a	40,000	0	20,000	20,000
Southpoint Center	Alessandro @ Perris, M.V.	Kragen	n/a	80,000	3,000	20,000	57,000
Town Square	SWC Chicago @ MLK, Riv.	Dollar Tree	n/a	172,000	28,000	20,000	124,000
Center K	Cottonwood @ Perris, M.V.		n/a	100,000	28,000	27,000	45,000
Walgreen's	SEC Perris @ Iris	Walgreen's	2005	24,000	0	0	24,000
Total 3.0-5.0 Mile Radius				2,547,881	154,000	435,318	1,958,563

Source: AGAJANIAN & Associates

Appendix Table: B-2

Trade Area Competitive Retail Inventory by Type of Goods (SF)

Center	Retail Goods	Apparel	General Merch.	Food Stores	Eating/ Drinking	House- Hold	Building Materials	Auto	Other Retail
1.5 Mile Radius									
Canyon Crossings	708,873	40,000	465,873	0	85,000	118,000	0	0	0
Canyon Springs Plaza	268,050	0	93,000	20,000	45,000	110,050	0	0	0
Merchant's Square	441,000	0	391,000	0	50,000	0	0	0	0
Moreno Valley Mall	1,015,273	190,100	725,100	0	40,073	60,000	0	0	0
Town Gate Plaza	50,400	0	10,000	20,000	20,400	0	0	0	0
Towngate Center	285,000	164,000	36,000	60,000	25,000	0	0	0	0
Town Gate Crossing	190,000	0	0	0	30,000	40,000	120,000	0	0
Total 1.5 Mile Radius	2,958,596	394,100	1,720,973	100,000	295,473	328,050	120,000	0	0
3.0 Mile Radius									
Pigeon Pass Plaza	102,000	0	0	70,000	20,000	12,000	0	0	0
Plaza Del Sol	30,000	0	0	0	30,000	0	0	0	0
Moreno Valley Plaza	315,076	45,076	180,000	0	38,000	12,000	0	0	40,000
Ironwood Plaza	44,500	0	12,000	22,000	10,500	0	0	0	0
Alessandro Plaza	20,000	0	0	15,000	0	0	0	0	5,000
Canyon Crest Town Cntr	95,000	0	0	75,000	20,000	0	0	0	0
Watkins Plaza	13,185	0	5,185	8,000	0	0	0	0	0
M. V. Commerce Center	20,000	0	0	0	20,000	0	0	0	0
Festival at M.V.	75,588	0	10,000	15,000	25,588	25,000	0	0	0
Lakeshore Village	106,000	0	7,000	86,000	13,000	0	0	0	0
Mission Grove Plaza	310,000	10,000	190,000	60,000	35,000	0	0	0	15,000
Home Depot	140,000	0	0	0	0	0	140,000	0	0
Total 1.5 to 3.0 Mile Radius	1,271,349	55,076	404,185	351,000	212,088	49,000	140,000	0	60,000

Source: AGAJANIAN & Associates

Appendix Table: B-2 (Continued)

Trade Area Competitive Retail Inventory by Type of Goods (SF)

Center	Retail Goods	Apparel	General Merch.	Food Stores	Eating/ Drinking	House- Hold	Building Materials	Auto	Other Retail
5.0 Mile Radius									
Sunnymead Plaza	99,000	0	2,000	82,000	0	0	0	15,000	0
M.V. Town Plaza	14,845	0	4,000	10,845	0	0	0	0	0
Moreno Valley Center	76,000	0	48,000	20,000	8,000	0	0	0	0
Sunnymead Village	185,000	3,000	60,000	47,000	15,000	50,000	0	10,000	0
Butterfield Valley Village	175,655	0	108,000	55,655	12,000	0	0	0	0
Sunny Plaza	12,000	0	0	0	8,000	0	0	4,000	0
Sunnymead Town Center	75,000	0	0	25,000	30,000	0	0	20,000	0
Bear Valley Shop Center	30,000	0	0	20,000	10,000	0	0	0	0
Orangecrest Plaza	80,000	0	5,000	60,000	15,000	0	0	0	0
University Center	7,063	0	0	7,063	0	0	0	0	0
University Heights S.C.	196,000	0	131,000	55,000	10,000	0	0	0	0
Center J	132,000	12,000	0	70,000	25,000	5,000	0	20,000	0
JFK Plaza	74,000	0	40,000	15,000	15,000	0	4,000	0	0
Westgate Shop Center	8,000	0	0	0	8,000	0	0	0	0
Center A	150,000	15,000	30,000	80,000	15,000	0	0	10,000	0
Samantha Marketplace	101,000	0	25,000	60,000	8,000	0	0	8,000	0
Walgreen's	25,000	0	0	25,000	0	0	0	0	0
Sunnymead	88,000	4,000	0	80,000	4,000	0	0	0	0
Home Depot	160,000	0	0	0	0	0	160,000	0	0
Plaza de Majorca	20,000	0	0	0	12,000	5,000	0	0	3,000
Southpoint Center	57,000	0	0	0	15,000	17,000	0	15,000	10,000
Town Square	124,000	30,000	25,000	42,000	27,000	0	0	0	0
Center K	45,000	0	10,000	10,000	0	25,000	0	0	0
Walgreen's	24,000	0	0	24,000	0	0	0	0	0
Total 3.0-5.0 Mile Radius	1,958,563	64,000	488,000	788,563	237,000	102,000	164,000	102,000	13,000

Source: AGAJANIAN & Associates

Appendix Table: B-3

Trade Area Cumulative Retail Inventory (SF)

Trade Area Center	Location	Status	Size
			GLA Assumed Retail Goods
0-1.5 Mi. Town Gate Crossing	NEC Day @ Canyon Springs, M.V.	Approved	32,000 32,000 General Merchandise
0-1.5 Mi. Town Gate Plaza	22880 Centerpoint Dr., M.V.	Proposed	22,000 20,000 Eat & Drink
0-1.5 Mi. Area E Project 72	W of Valley Springs Pkwy	Approved/Planned	97,388 Commercial Center
0-1.5 Mi. Area E Project 71	N of Canyon Springs Pkwy	Approved/Planned	274,000 Commercial Center
0-1.5 Mi. Area E Project 70	N of Canyon Springs Pkwy W of Day	Approved/Planned	183,863 Commercial Center
0-1.5 Mi. Area E Project 69	2663 Canyon Springs Pkwy	Approved/Planned	500,000 Shopping Center
0-1.5 Mi. Area E Project 68	Canyon Springs Pkwy	Approved/Planned	20,000 Electronics Superstore
0-1.5 Mi. Project# 291-460-005	S of Canyon Springs N of Wal-Mart	Approved/Planned	32,000 Commercial Center
			1,161,251

Source: AGAJANIAN & Associates

Appendix Table: B-4

Other Cumulative Retail Inventory (SF)

Distance from Site Center	Location	Status	Size
			GLA Assumed Retail Goods
8.9 Mi. Red Maple	SEC of Red Maple and Perris	Under Construction	35,000 Commercial Center

Source: AGAJANIAN & Associates

Appendix Table: B-5A

Trade Area Competitive Retail Inventory (SF)

Trade Area/Center	Location	Anchor(s)	Year		Vacancy	Retail	Retail
			Built	Size GLA		Services	Goods
10.0 Mile Radius							
Moreno Beach Plaza	Moreno Beach, S of SH60, M.V.		n/a	300,000	0	0	300,000
Lakeside Terrace	NEC Iris @ Laselle M.V.		n/a	56,335	1,000	15,000	40,335
Walgreen's	Moreno Beach @ Alessandro M.V.		n/a	24,000			24,000
Perris Marketplace	Perris Blvd @ Citrus Ave, Perris		n/a	455,425	0	0	455,425
Total 5.0-10.0 Mile Radius				835,760	1,000	15,000	819,760

Source: AGAJANIAN & Associates

Appendix Table: B-5B

Trade Area Competitive Retail Inventory by Type of Goods (SF)

Center	Retail	General		Food	Eating/	House-	Building	Other	
	Goods	Apparel	Merch.	Stores	Drinking	Hold	Materials	Auto	Retail
10.0 Mile Radius									
Moreno Beach Plaza	300,000	0	200,000	50,000	0	0	0	0	50,000
Lakeside Terrace	40,335	0	6,335	24,000	10,000	0	0	0	0
Walgreen's	24,000	0	0	24,000	0	0	0	0	0
Perris Marketplace	455,425	0	343,425	60,000	52,000	0	0	0	0
Total 5.0-10.0 Mile Radius	819,760	0	549,760	158,000	62,000	0	0	0	50,000

Source: AGAJANIAN & Associates

APPENDIX C

Trade Area Retail Sales Estimates (NAICS)



Retail MarketPlace Profile

AGAJANIAN & Associates

Project Site

Latitude: 33.9401
Longitude: -117.2877
Radius: 1.5 miles

Site Type: Radius

Summary Demographics

2005 Population	16,341
2005 Households	4,850
2005 Median Disposable Income	\$43,534
2005 Per Capita Income	\$21,397

Industry Summary

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$304,727,262	\$124,003,561	-42.2	216
Total Retail Trade (NAICS 44-45)	\$289,900,236	\$106,003,039	-46.5	181
Total Food & Drink (NAICS 722)	\$14,827,026	\$18,000,522	9.7	35
	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 441: Motor Vehicle & Parts Dealers	\$38,732,677	\$29,316,390	-13.8	11
NAICS 4411: Automobile Dealers	\$34,047,009	\$23,989,889	-17.3	5
NAICS 4412: Other Motor Vehicle Dealers	\$1,470,658	\$2,827,929	31.6	2
NAICS 4413: Auto Parts, Accessories, and Tire Stores	\$3,215,010	\$2,498,572	-12.5	4
NAICS 442: Furniture & Home Furnishings Stores	\$5,509,758	\$3,306,914	-25.0	14
NAICS 4421: Furniture Stores	\$4,000,641	\$2,354,181	-25.9	8
NAICS 4422: Home Furnishings Stores	\$1,509,117	\$952,733	-22.6	6
NAICS 443/NAICS 4431: Electronics & Appliance Stores	\$6,383,747	\$1,121,669	-70.1	16
NAICS 444: Bldg Materials, Garden Equip. & Supply Stores	\$21,249,263	\$4,802,446	-63.1	12
NAICS 4441: Building Material and Supplies Dealers	\$20,238,706	\$4,265,688	-65.2	10
NAICS 4442: Lawn and Garden Equipment and Supplies Stores	\$1,010,557	\$536,758	-30.6	2
NAICS 445: Food & Beverage Stores	\$29,591,219	\$18,309,741	-23.6	10
NAICS 4451: Grocery Stores	\$28,345,509	\$16,931,777	-25.2	3
NAICS 4452: Specialty Food Stores	\$915,022	\$752,240	-9.8	6
NAICS 4453: Beer, Wine, and Liquor Stores	\$330,688	\$625,724	30.8	1
NAICS 446/NAICS 4461: Health & Personal Care Stores	\$8,805,375	\$4,014,459	-37.4	13
NAICS 447/NAICS 4471: Gasoline Stations	\$18,279,732	\$9,865,809	-29.9	2
NAICS 448: Clothing and Clothing Accessories Stores	\$42,615,954	\$5,114,398	-78.6	53
NAICS 4481: Clothing Stores	\$28,607,444	\$3,413,644	-78.7	32
NAICS 4482: Shoe Stores	\$9,173,607	\$1,148,098	-77.8	13
NAICS 4483: Jewelry, Luggage, and Leather Goods Stores	\$4,834,903	\$552,656	-79.5	8
NAICS 451: Sporting Goods, Hobby, Book, and Music Stores	\$7,902,310	\$1,542,838	-67.3	9
NAICS 4511: Sporting Goods/Hobby/Musical Instrument Stores	\$7,127,435	\$1,079,639	-73.7	7
NAICS 4512: Books, Periodical, and Music Stores	\$774,875	\$463,199	-25.2	2

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) represents the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor is a measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus). ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Project Site

Retail MarketPlace Profile

AGA JANIAN & Associates

Latitude: 33.9401

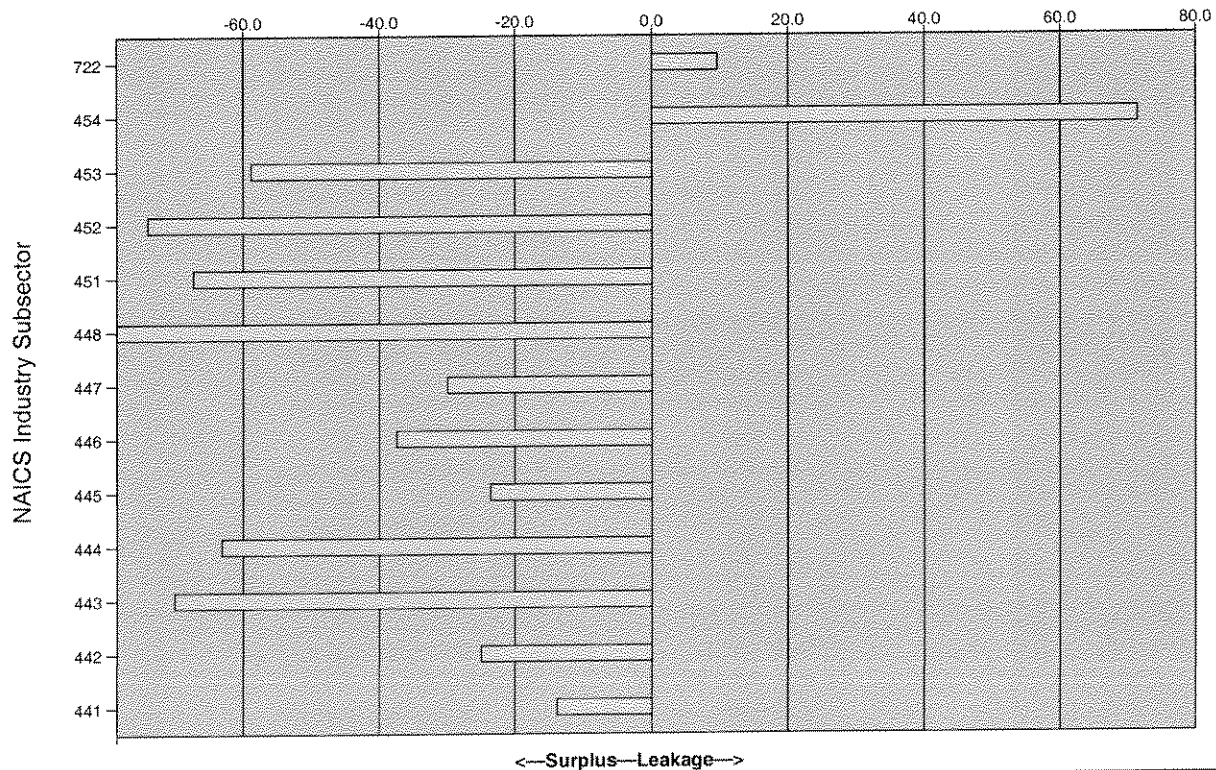
Longitude: -117.2877

Radius: 1.5 miles

Site Type: Radius

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 452: General Merchandise Stores	\$99,628,556	\$14,908,970	-74.0	9
NAICS 4521: Department Stores (Excluding Leased Depts.)	\$99,628,556	\$7,191,397	-86.5	9
NAICS 4529: Other General Merchandise Stores	\$0	\$7,717,573	100.0	0
NAICS 453: Miscellaneous Store Retailers	\$9,320,733	\$2,420,287	-58.8	25
NAICS 4531: Florists	\$260,794	\$100,531	-44.4	3
NAICS 4532: Office Supplies, Stationery, and Gift Stores	\$4,078,956	\$493,606	-78.4	14
NAICS 4533: Used Merchandise Stores	\$257,061	\$307,172	8.9	1
NAICS 4539: Other Miscellaneous Store Retailers	\$4,723,922	\$1,518,978	-51.3	7
NAICS 454: Nonstore Retailers	\$1,880,912	\$11,279,118	71.4	7
NAICS 4541: Electronic Shopping and Mail-Order Houses	\$0	\$10,470,352	100.0	0
NAICS 4542: Vending Machine Operators	\$907,136	\$139,161	-73.4	3
NAICS 4543: Direct Selling Establishments	\$973,776	\$669,605	-18.5	4
NAICS 722: Food Services & Drinking Places	\$14,827,026	\$18,000,522	9.7	35
NAICS 7221: Full-Service Restaurants	\$0	\$8,256,609	100.0	0
NAICS 7222: Limited-Service Eating Places	\$14,200,715	\$8,407,858	-25.6	34
NAICS 7223: Special Food Services	\$626,311	\$976,540	21.9	1
NAICS 7224: Drinking Places (Alcoholic Beverages)	\$0	\$359,515	100.0	0

Leakage/Surplus Factor by Industry Subsector



Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Project Site

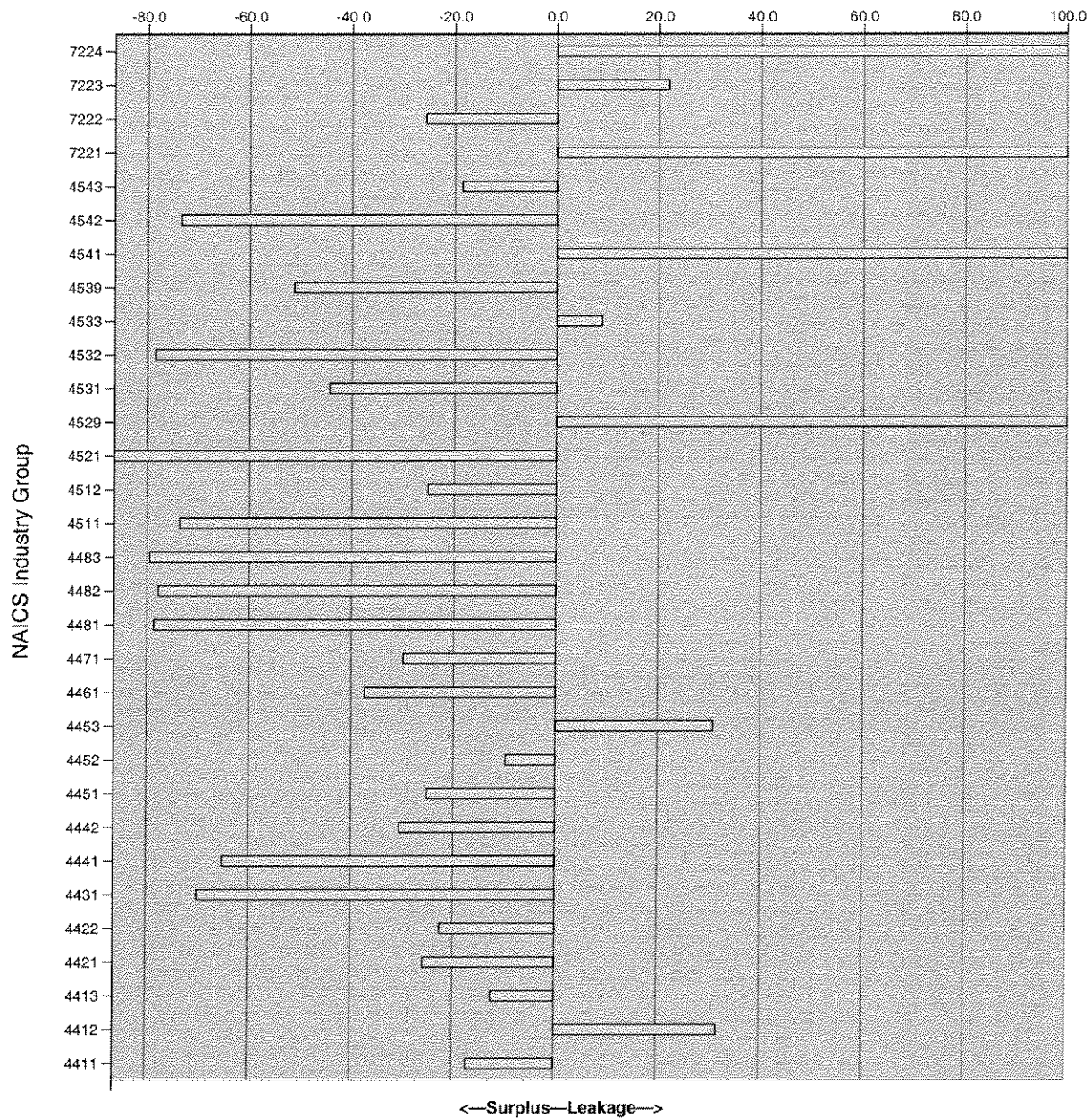
Retail MarketPlace Profile

AGAJANIAN & Associates

Latitude: 33.9401
Longitude: -117.2877
Radius: 1.5 miles

Site Type: Radius

Leakage/Surplus Factor by Industry Group



Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Project Site

Retail MarketPlace Profile

AGA JANIAN & Associates

Latitude: 33.9401

Longitude: -117.2877

Radius: 3.0 miles

Site Type: Radius

Summary Demographics

2005 Population	88,038
2005 Households	26,941
2005 Median Disposable Income	\$42,720
2005 Per Capita Income	\$20,961

Industry Summary

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$640,678,408	\$709,326,385	5.1	486
Total Retail Trade (NAICS 44-45)	\$540,309,544	\$605,700,311	5.7	374
Total Food & Drink (NAICS 722)	\$100,368,864	\$103,626,074	1.6	112
	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 441: Motor Vehicle & Parts Dealers	\$55,694,060	\$166,582,877	49.9	32
NAICS 4411: Automobile Dealers	\$36,469,606	\$136,221,654	57.8	7
NAICS 4412: Other Motor Vehicle Dealers	\$2,231,985	\$16,240,103	75.8	2
NAICS 4413: Auto Parts, Accessories, and Tire Stores	\$16,992,469	\$14,121,120	-9.2	23
NAICS 442: Furniture & Home Furnishings Stores	\$13,124,310	\$18,883,305	18.0	35
NAICS 4421: Furniture Stores	\$8,743,058	\$13,426,773	21.1	18
NAICS 4422: Home Furnishings Stores	\$4,381,252	\$5,456,532	10.9	17
NAICS 443/NAICS 4431: Electronics & Appliance Stores	\$10,886,216	\$6,415,332	-25.8	32
NAICS 444: Bldg Materials, Garden Equip. & Supply Stores	\$26,507,467	\$28,227,743	3.1	32
NAICS 4441: Building Material and Supplies Dealers	\$24,838,658	\$25,060,553	0.4	27
NAICS 4442: Lawn and Garden Equipment and Supplies Stores	\$1,668,809	\$3,167,190	31.0	5
NAICS 445: Food & Beverage Stores	\$102,563,907	\$104,105,651	0.7	44
NAICS 4451: Grocery Stores	\$92,764,287	\$96,242,292	1.8	18
NAICS 4452: Specialty Food Stores	\$5,558,483	\$4,267,652	-13.1	14
NAICS 4453: Beer, Wine, and Liquor Stores	\$4,241,137	\$3,595,707	-8.2	12
NAICS 446/NAICS 4461: Health & Personal Care Stores	\$21,486,607	\$23,002,372	3.4	27
NAICS 447/NAICS 4471: Gasoline Stations	\$45,540,450	\$56,128,744	10.4	7
NAICS 448: Clothing and Clothing Accessories Stores	\$47,926,763	\$29,332,752	-24.1	69
NAICS 4481: Clothing Stores	\$32,326,407	\$19,666,728	-24.3	42
NAICS 4482: Shoe Stores	\$9,743,084	\$6,519,844	-19.8	15
NAICS 4483: Jewelry, Luggage, and Leather Goods Stores	\$5,857,272	\$3,146,180	-30.1	12
NAICS 451: Sporting Goods, Hobby, Book, and Music Stores	\$17,334,547	\$8,843,364	-32.4	24
NAICS 4511: Sporting Goods/Hobby/Musical Instrument Stores	\$15,442,601	\$6,161,237	-43.0	19
NAICS 4512: Books, Periodical, and Music Stores	\$1,891,946	\$2,682,127	17.3	5

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) represents the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor is a measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus). ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Project Site

Retail MarketPlace Profile

AGAJANIAN & Associates

Latitude: 33.9401

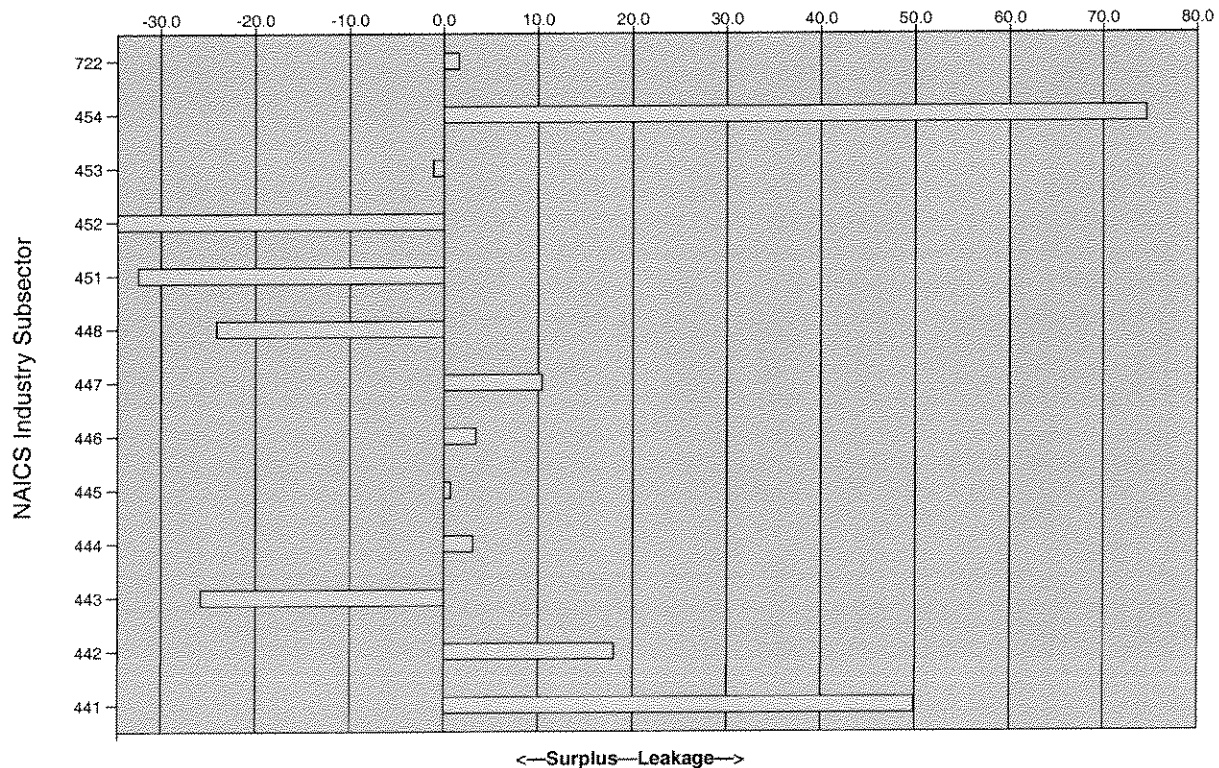
Longitude: -117.2877

Radius: 3.0 miles

Site Type: Radius

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 452: General Merchandise Stores	\$175,508,264	\$85,301,981	-34.6	15
NAICS 4521: Department Stores (Excluding Leased Depts.)	\$110,097,033	\$41,222,252	-45.5	13
NAICS 4529: Other General Merchandise Stores	\$65,411,231	\$44,079,729	-19.5	2
NAICS 453: Miscellaneous Store Retailers	\$14,277,791	\$13,974,661	-1.1	48
NAICS 4531: Florists	\$382,880	\$592,739	21.5	6
NAICS 4532: Office Supplies, Stationery, and Gift Stores	\$6,564,064	\$2,851,349	-39.4	20
NAICS 4533: Used Merchandise Stores	\$635,323	\$1,765,941	47.1	5
NAICS 4539: Other Miscellaneous Store Retailers	\$6,695,524	\$8,764,632	13.4	17
NAICS 454: Nonstore Retailers	\$9,459,162	\$64,901,529	74.6	9
NAICS 4541: Electronic Shopping and Mail-Order Houses	\$7,354,217	\$60,002,258	78.2	1
NAICS 4542: Vending Machine Operators	\$951,567	\$793,417	-9.1	3
NAICS 4543: Direct Selling Establishments	\$1,153,378	\$4,105,854	56.1	5
NAICS 722: Food Services & Drinking Places	\$100,368,864	\$103,626,074	1.6	112
NAICS 7221: Full-Service Restaurants	\$66,518,950	\$47,543,791	-16.6	3
NAICS 7222: Limited-Service Eating Places	\$31,038,882	\$48,345,519	21.8	104
NAICS 7223: Special Food Services	\$1,163,149	\$5,646,381	65.8	4
NAICS 7224: Drinking Places (Alcoholic Beverages)	\$1,647,883	\$2,090,383	11.8	1

Leakage/Surplus Factor by Industry Subsector



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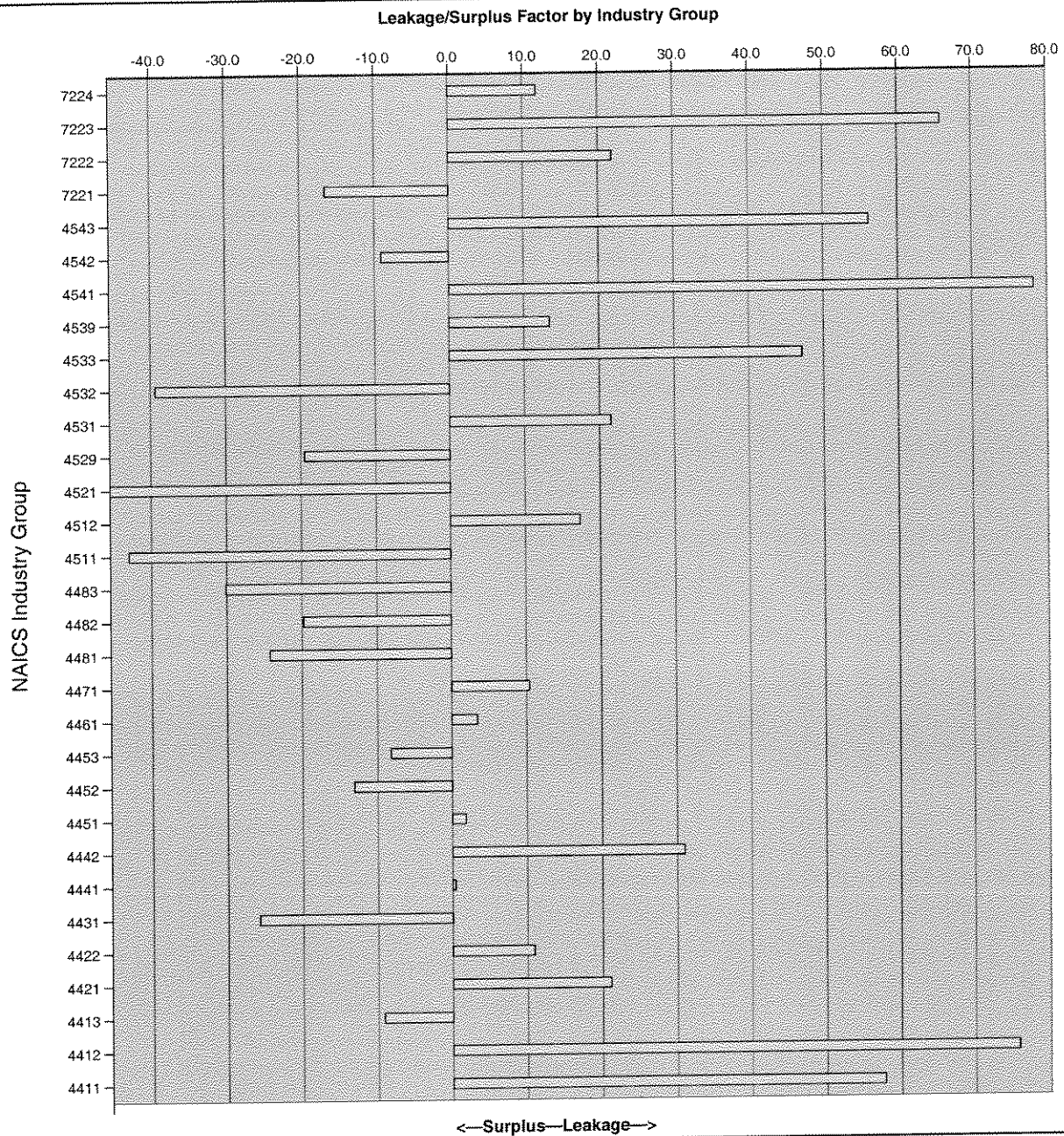
Project Site

Retail MarketPlace Profile

AGA JANIAN & Associates

Latitude: 33.9401
Longitude: -117.2877
Radius: 3.0 miles

Site Type: Radius



Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Retail MarketPlace Profile

AGAJANIAN & Associates

Project Site

Latitude: 33.9401

Longitude: -117.2877

Site Type: Radius

Radius: 5.0 miles

Summary Demographics

2005 Population	229,985
2005 Households	69,047
2005 Median Disposable Income	\$42,874
2005 Per Capita Income	\$21,134

Industry Summary

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$1,357,919,257	\$1,845,029,930	15.2	1,039
Total Retail Trade (NAICS 44-45)	\$1,155,436,092	\$1,575,329,186	15.4	751
Total Food & Drink (NAICS 722)	\$202,483,165	\$269,700,744	14.2	288
	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 441: Motor Vehicle & Parts Dealers	\$98,488,845	\$429,050,481	62.7	67
NAICS 4411: Automobile Dealers	\$47,431,465	\$350,086,895	76.1	19
NAICS 4412: Other Motor Vehicle Dealers	\$9,766,337	\$42,358,924	62.5	6
NAICS 4413: Auto Parts, Accessories, and Tire Stores	\$41,291,043	\$36,604,662	-6.0	42
NAICS 442: Furniture & Home Furnishings Stores	\$47,381,247	\$49,505,243	2.2	59
NAICS 4421: Furniture Stores	\$39,658,396	\$35,036,439	-6.2	31
NAICS 4422: Home Furnishings Stores	\$7,722,851	\$14,468,804	30.4	28
NAICS 443/NAICS 4431: Electronics & Appliance Stores	\$21,407,449	\$16,746,234	-12.2	64
NAICS 444: Bldg Materials, Garden Equip. & Supply Stores	\$38,504,860	\$75,791,737	32.6	63
NAICS 4441: Building Material and Supplies Dealers	\$35,342,282	\$67,388,895	31.2	53
NAICS 4442: Lawn and Garden Equipment and Supplies Stores	\$3,162,578	\$8,402,842	45.3	10
NAICS 445: Food & Beverage Stores	\$252,205,239	\$270,688,732	3.5	104
NAICS 4451: Grocery Stores	\$227,218,449	\$250,262,654	4.8	56
NAICS 4452: Specialty Food Stores	\$16,691,830	\$11,094,468	-20.1	29
NAICS 4453: Beer, Wine, and Liquor Stores	\$8,294,960	\$9,331,610	5.9	19
NAICS 446/NAICS 4461: Health & Personal Care Stores	\$64,935,775	\$60,482,736	-3.6	42
NAICS 447/NAICS 4471: Gasoline Stations	\$107,328,623	\$144,946,785	14.9	17
NAICS 448: Clothing and Clothing Accessories Stores	\$71,866,103	\$76,112,766	2.9	130
NAICS 4481: Clothing Stores	\$48,617,951	\$51,194,115	2.6	82
NAICS 4482: Shoe Stores	\$14,015,642	\$16,809,645	9.1	25
NAICS 4483: Jewelry, Luggage, and Leather Goods Stores	\$9,232,510	\$8,109,006	-6.5	23
NAICS 451: Sporting Goods, Hobby, Book, and Music Stores	\$26,472,330	\$22,960,965	-7.1	52
NAICS 4511: Sporting Goods/Hobby/Musical Instrument Stores	\$20,832,301	\$16,042,894	-13.0	37
NAICS 4512: Books, Periodical, and Music Stores	\$5,640,029	\$6,918,071	10.2	15

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) represents the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor is a measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus). ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Source: Business data provided by InfoUSA, Omaha NE Copyright 2004, all rights reserved. ESRI forecasts for 2005.



Project Site

Retail MarketPlace Profile

AGAJANIAN & Associates

Latitude: 33.9401

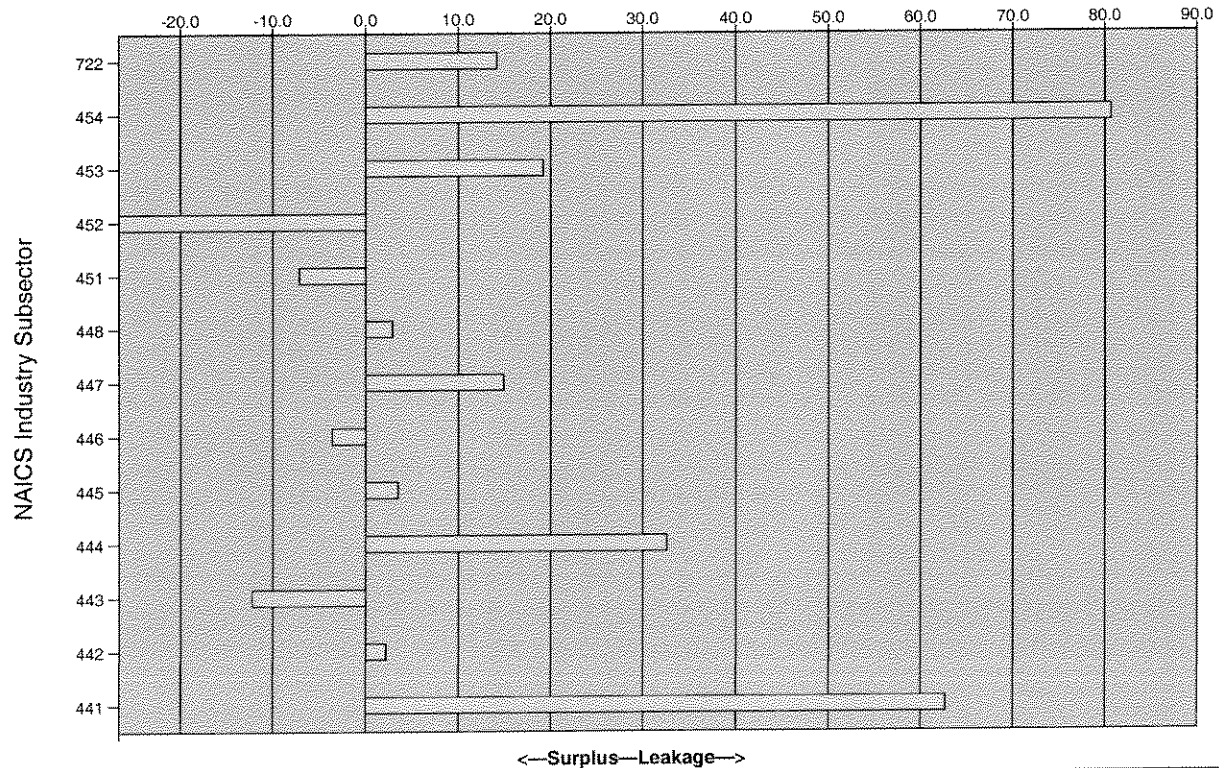
Longitude: -117.2877

Radius: 5.0 miles

Site Type: Radius

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 452: General Merchandise Stores	\$383,693,502	\$222,015,661	-26.7	27
NAICS 4521: Department Stores (Excluding Leased Depts.)	\$137,560,384	\$107,443,508	-12.3	20
NAICS 4529: Other General Merchandise Stores	\$246,133,118	\$114,572,153	-36.5	7
NAICS 453: Miscellaneous Store Retailers	\$24,915,190	\$36,763,220	19.2	109
NAICS 4531: Florists	\$1,264,982	\$1,572,981	10.9	13
NAICS 4532: Office Supplies, Stationery, and Gift Stores	\$9,439,132	\$7,571,982	-11.0	43
NAICS 4533: Used Merchandise Stores	\$1,513,052	\$4,629,204	50.7	13
NAICS 4539: Other Miscellaneous Store Retailers	\$12,698,024	\$22,989,053	28.8	40
NAICS 454: Nonstore Retailers	\$18,236,929	\$170,264,626	80.7	17
NAICS 4541: Electronic Shopping and Mail-Order Houses	\$14,142,725	\$156,804,728	83.5	2
NAICS 4542: Vending Machine Operators	\$1,049,069	\$2,059,351	32.5	4
NAICS 4543: Direct Selling Establishments	\$3,045,135	\$11,400,547	57.8	11
NAICS 722: Food Services & Drinking Places	\$202,483,165	\$269,700,744	14.2	288
NAICS 7221: Full-Service Restaurants	\$118,652,163	\$123,746,150	2.1	10
NAICS 7222: Limited-Service Eating Places	\$77,465,584	\$125,696,810	23.7	266
NAICS 7223: Special Food Services	\$2,879,114	\$14,771,083	67.4	6
NAICS 7224: Drinking Places (Alcoholic Beverages)	\$3,486,304	\$5,486,701	22.3	6

Leakage/Surplus Factor by Industry Subsector



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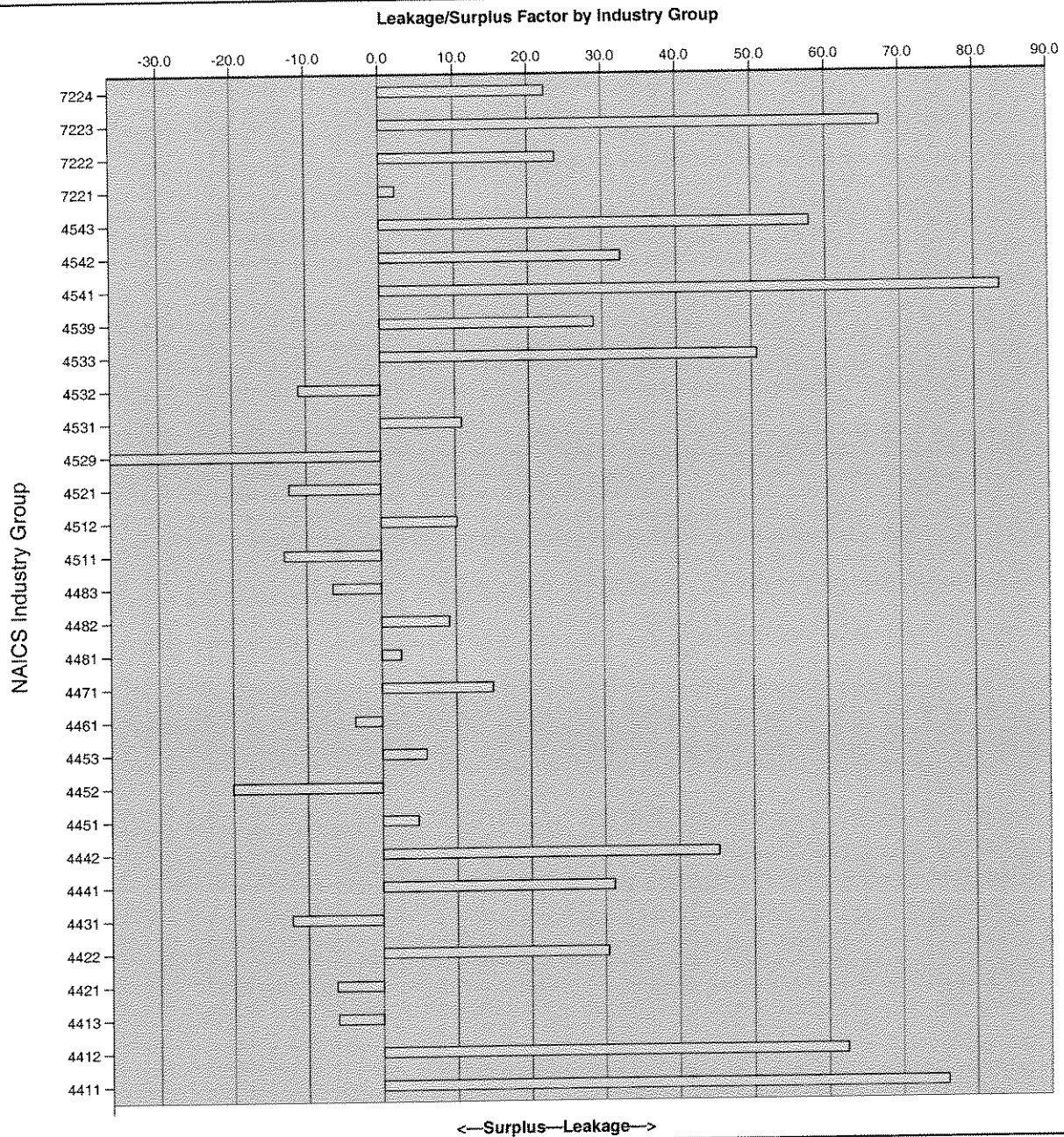
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Site Type: Radius



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FISCAL IMPACT ANALYSIS

FISCAL IMPACT ANALYSIS
Wal-Mart Supercenter at Canyon Crossing
Riverside, California

Prepared for:

City of Riverside
Planning Department
3900 Main Street, 3rd Floor
Riverside, CA 92522

Prepared by:

AGAJANIAN & Associates
P. O. Box 2155
Joshua Tree, CA 92252

May 29, 2005

Fiscal Impact Study - Wal-Mart Supercenter
Table of Contents

Section One Introduction and Summary	Page 1
Section Two Project Characteristics	Page 2
Section Three Analytic Approach	Page 4
Section Four Budget Impact Assumptions	Page 6
Section Five Fiscal Impact Analysis	Page 11
Section Six Fiscal Impact Findings	Page 13

Section 1. INTRODUCTION and SUMMARY

The purpose of this brief report is to present the fiscal impact findings of the proposed Wal-Mart Supercenter at Canyon Crossing retail project based upon a comprehensive and independent analysis conducted between February and May of 2005.

The proposed project will be located in the City of Riverside. The City of Riverside budget will be the focus of this report because it is the jurisdiction directly and significantly impacted by the proposed project.

The proposed Wal-Mart Supercenter at Canyon Crossing project is a 235,000 square foot retail development situated on an undeveloped 24 acre site. The proposed project is situated southeast of the I-215/SH-60 interchange and near the boundary with the City of Moreno Valley.

This fiscal impact analysis is structured to assess the net fiscal impacts of the proposed project by estimating impacted municipal revenue sources and public service expenditures. A detailed discussion of this approach is presented in the Analytic Approach section of this report. City revenue and expenditure assumptions and capital/roadway impacts are detailed in the Budget Impact Assumptions section of this report. Results of the fiscal impact analysis are summarized in the Fiscal Impact Analysis section of this report. The findings supported by the analytic results are presented in the final section of this report.

This fiscal impact analysis supports the following findings:

- **At buildout, the project is expected to generate a net positive fiscal impact of \$676,611 annually to the City of Riverside municipal budget if implemented as proposed.**

- ▶ **Riverside is expected to receive \$3.26 in revenues for each \$1.00 of service and capital cost in the municipal budget if the project is implemented as proposed.**
- ▶ **At buildout, the project will generate \$431,574 annually of project generated roadway revenues to pay for project related roadway capital and maintenance costs.**

Section 2. PROJECT CHARACTERISTICS

The proposed 235,000 square foot "Wal-Mart Supercenter at Canyon Crossing" retail project will be located on an undeveloped 24 acre parcel located easterly of Valley Springs Parkway and northerly of Corporate Center Place, in the City of Riverside, California. The proposed project is situated southeast of the I-215/SH-60 interchange and near the boundary with the City of Moreno Valley. The access to the site is from both Valley Springs Parkway and Corporate Center Place (see Site Map in Draft EIR.)

The project is within the Canyon Springs Specific Plan area. The proposed project may include the retail sale of general merchandise, groceries, liquor, auto fuel, pharmaceuticals, photo finishing, gardening items, food service, vision service, banking service, tire and lube service, and photo studio service. See the project EIR for a more detailed description of the proposed project.

An existing 125,873 SF Wal-Mart, adjacent to the proposed project site, will be relocated and expanded to occupy the 235,000 SF proposed project. The fiscal impact analysis would normally consider only the net fiscal impact of the proposed project, the addition of 109,127 SF. However, the analysis is to assume that the existing 125,873 SF store will be occupied by a retail use upon vacation by the existing Wal-Mart. Therefore, this analysis examines the fiscal impact of the 235,000 SF proposed project as a new project, not the net fiscal impact reflecting the relocation of the existing Wal-Mart store.

The fiscal impact analysis will use several assumed characteristics of the proposed project including retail use by floor area, retail sales, assessed valuation and employment at project buildout.

Project Retail Uses by Floor Area

Table 1 describes the proposed project's floor space to reflect the type of retail goods and services to be located in the store. General merchandise is

the predominant retail use for the proposed project. Grocery and drug store uses also occupy a large share of space.

Table 1:
Project Characteristics

Retail Use	Size (SF)	Sales/ SF	Retail Sales
Apparel	0	\$300	\$0
General Merchandise	157,000	\$350	\$54,950,000
Food Stores	60,000	\$400	\$24,000,000
Eating and Drinking	6,000	\$475	\$2,850,000
Household	0	\$350	\$0
Building Materials	0	\$250	\$0
Automotive	8,000	\$275	\$2,200,000
Gas Stations	0	\$500	\$0
Other Retail Stores	4,000	\$225	\$900,000
Total	235,000	\$361	\$84,900,000

"Food stores" include grocery, liquor and pharmacy uses.

"Other retail store" uses include vision center, photo studio and photo finishing.

Source: AGAJANIAN & Associates

Project Retail Sales

The estimated retail sales generated by the proposed project is based upon the gross leasable floor area for specific types of stores and their associated average retail sales per year. Average retail sales factors by store type are formulated from store sales information in "Dollars & Cents of Shopping Centers: 2004," (Urban Land Institute.) The sales generation factors are presented in Table 1. The project as a whole is assumed to generate an average of \$361 per square foot of floor area. This yields a total project retail sales estimate of \$84,900,000 at project buildout.

Project Assessed Valuation (AV)

Project total AV at buildout is estimated at \$24,675,000. The estimated project assessed valuation is based upon an assumed hard retail development cost of \$105 per square foot of floor area.

Project Employment

Project employment is estimated by applying an average 350 square feet per employee to the proposed project. This employment factor is formulated from industry standards by retail use. This employment factor

yields a total estimated full time equivalent employment of 671 jobs at project buildout.

Section 3. ANALYTIC APPROACH

This fiscal impact analysis seeks to estimate the major financial consequences of proposed Wal-Mart Supercenter project on public jurisdictions. The analysis is structured to provide reliable and reasonable fiscal impact estimates for the proposed project. The scope, approach and methods used in this analysis are detailed below.

A. Scope and Approach

The scope of this study is limited to general-purpose taxing jurisdictions with budgets that are directly and significantly impacted by the proposed project. The City of Riverside will be directly and significantly impacted by the project because it will provide general-purpose municipal services to the project. Riverside County and the City of Moreno Valley may be indirectly fiscally impacted by the project, mainly regarding roadway improvements and maintenance.

Single-purpose property-tax jurisdictions, such as school districts and special districts, were considered, but none rose to the level of being both directly and significantly impacted. These property-tax special districts are largely limited by state regulations as to project related revenues received and services provided. Accordingly, this study is limited in scope to the impact of the proposed project upon the City of Riverside budget.

The approach used in this analysis is structured to provide estimates of impacted budget revenues and service costs associated with full development of the proposed project. A net fiscal impact for the project is determined by deducting the estimated budget revenue from the estimated budget expenditures. A positive net fiscal impact indicates that the budget can be expected to receive more revenue from the project than spend in service costs associated with the project. A negative fiscal impact would suggest the opposite: greater service costs than revenue received.

B. Methods

The analysis uses a snap shot method to compare the fiscal impact results, meaning that the analysis treats the proposed project uses as if they are fully built out today and affecting the current proposed FY 2005/2006 city budget. The entire analysis is conducted in current 2005 dollar value with no financial inflation or deflation assumed.

Two methods are used to estimate budget revenue impacts from the proposed project uses. Some revenue sources, such as property and sales taxes, are estimated by using specific formulas.

Other general revenue sources are estimated by using a "per unit" generation factor. For this analysis, the "per unit" factor is "per person or employee," based upon the sum of Riverside population and employment. Since the proposed project is a non-residential use, all budget service cost estimates use this "per employee" factoring method. All factoring of revenue and costs are based upon the proposed FY 2005/2006 budget, considered the most current and realistic measure of actual budgetary performance.

Operating and capital budget categories are examined separately in this analysis. Annual operating revenue and service costs are analyzed in this study to estimate a net operating budget impact. Capital revenues and costs are also considered. Capital costs cannot be fully determined at this time since much of the direct capital improvements from the project are yet to be determined.

The principal capital cost impact from the proposed project is for roadway improvements. Roadway mitigation measures for the project will be identified in the project's Draft EIR. The cost, fair share contribution and financing of the capital cost to implement the project's roadway mitigation measures are yet to be determined. Therefore, only major capital revenue sources for roadway improvements can be estimated at this time.

Population and employment estimates are required to calculate per person and per employee estimating factors. A population of 285,537 residents is used for the City of Riverside, based upon California Department of Finance (DOF) estimates for 1/1/2005. Based upon the most current information available, City employment is estimated at about 140,302 full time civilian jobs in 2002, based upon seasonally adjusted annual estimates from the California Employment Development Department (EDD.)

Section 4. BUDGET IMPACT ASSUMPTIONS

The City of Riverside proposed FY 2005/2006 budget is divided into six fund categories: General, Enterprise, Special Revenue, Capital Projects, Debt Service and Central Services. See budget Financial Organization Chart from the proposed FY 2005-2006 budget for fund details. Not all of these fund categories, nor the funds within them, will be directly affected by the proposed project.

The General Fund will be the primary focus of this analysis because it represents the core operating budget for the city. Enterprise funds, such as water and public parking, are not considered, because they can increase revenues to pay for services delivered and fiscally net to zero annually. Special Revenue funds are used to account for specific restricted monies and are not directly affected by the project, except for consideration of the Library fund. Capital Projects funds are also used to account for specific capital improvement projects and not affected except as the project generates roadway capital revenues. All debt service funds are excluded since they serve as accounts to manage municipally held debt for specific projects. Central Services fund is only an account, central services costs are considered as part of the General Fund.

Several criteria have been applied to the General Fund budget to reduce negligible, unaffected and net zero budget items. Budget items with a \$0 balance were eliminated from consideration. Service categories that are self-funded are removed from the analysis because they fiscally always net to zero. Other budget funds were removed because they are unaffected by the project. The remaining budget items represent the impacted budget, those components of the budget that are analyzed in this study.

The analytic assumptions used to estimate the project's fiscal impact upon the City of Riverside operating budget and upon related roadway revenues are presented below.

A. City of Riverside Operating Budget

The net fiscal impact estimate for Riverside is based upon estimated budget recurring revenue and service expenditure assumptions. These budget assumptions are needed to provide consistent and comparable estimates of project related fiscal impacts. The Riverside fiscal impact analysis is based upon the proposed FY 2005-2006 budget document.

1. Project Impacted Revenue Sources

The city budget identifies many sources of revenue. Not all sources of revenue will be impacted by the proposed project, but many will be since the project includes retail/commercial uses. Only those revenue sources that are directly impacted by the proposed project are described below and detailed on Table 2.

General Fund

Sales and Use Tax - Sales tax revenue is estimated at 1% of gross taxable retail sales from the proposed project.

Property Tax - This revenue source covers all property tax revenues. The property tax revenue is based upon the project's estimated assessed valuation and a city share of 11% of the basic 1% tax levy.

Utility Users Tax - This is a 6.5% tax is imposed upon telephone, electrical, gas, water and cable television services. This revenue source amounts to \$23,372,000 in the proposed FY 2005-2006 budget, or \$54.89 per employee.

Charges for Services - This revenue source accounts for service fees designed to recover service costs, mostly processing fees for development projects. This revenue source amounts to \$14,422,341 in the proposed FY 2005-2006 budget, or \$33.87 per employee.

Other Taxes - This revenue category covers mainly franchise fee revenues and real property transfer revenues. This revenue sources amount to \$7,873,500 in the proposed FY 2005-2006 budget, or \$18.49 per employee.

Business Licenses - Business license revenues amount to \$4,200,000 in the proposed FY 2005-2006 budget, or \$12.06 per employee. This revenue source uses only employment (not combined with population) to estimate the "per employee" generation factor.

Other Licenses and Permits - This revenue category covers mainly building permit revenues. The revenue source amounts to \$7,873,500 in the proposed FY 2005-2006 budget, or \$18.49 per employee.

Table 2:

Impacted GF Operating Revenue Source Factors

<u>Revenue Source</u>	<u>Budgeted Revenue</u>	<u>Per Emp. Factor</u>
General Fund		
Sales and Use Tax	1% of Retail Sales	
Property Tax	11% of 1% on AV	
Utility Users Tax	\$23,372,000	\$54.88
Charges for Services	\$14,422,341	\$33.87
Other Taxes	\$7,873,500	\$18.49
Business License	\$4,200,000	\$29.94
Other Licenses & Permits	\$2,311,680	\$5.43
Fines & Forfeitures	\$2,415,000	\$5.67
Special Revenue Sources		
Gas Taxes	\$4,486,821	\$10.54
Measure A	0.5% of Retail Sales	
LPSA	0.5% of Retail Sales	

Source: AGAJANIAN & Associates

: Proposed FY 05-06 City Budget

Fines and Forfeitures - This revenue source amounts to \$2,415,000, or \$2.08 per employee for commercial/business uses.

Some revenue sources are not directly impacted by the proposed project. The revenue sources excluded for this reason are: "Transfers from Other Funds" (\$25,302,735), Miscellaneous Revenues (\$4,017,7000), and Revenue from Other Agencies (\$3,268,000).

Special Revenue Sources

Measure "A" - The Measure "A" ½ cent sales tax is based upon the proposed project's estimated retail sales. The revenue is allocated to roadway improvements based upon a specific formula using population and road miles.

LPSA - The Local Public Safety Augmentation (LPSA) ½ cent sales tax is based upon the proposed project's estimated retail sales. The revenue is allocated to cities based upon their proportionate share of property tax losses due to ERAF shifts.

Special Gas Taxes - These special Gas Taxes are from the sale of fuels that the City receives to maintain local roadways. This revenue source

amounts to \$4,486,821, or \$10.54 per employee for commercial/business uses.

2. Projected Service Cost Impacts

The General Fund budget consolidates expenditures for public services and facilities into department budgets. Not all departments will be impacted by the proposed project, but most are. Only those department expenditures that are directly impacted by the proposed project are described below and detailed on Table 3.

Table 3:

Impacted GF Operating Expenditures

Department	Impacted Expenditures	Per Emp. Factor
Police	\$75,944,969	\$178.34
Fire	\$36,572,809	\$85.88
Public Works	\$17,220,674	\$40.44
Parks & Recreation	\$20,246,803	\$47.55
Planning	\$7,825,340	\$18.38
General Government	\$6,394,894	\$15.02
Finance	\$17,813,843	\$41.83
General Services	\$2,535,056	\$5.95
Library/Museum	\$5,136,276	\$12.06
Total	\$189,690,664	\$445.45

Source: AGAJANIAN & Associates

: Proposed FY 05-06 City Budget

The expenditures by department include all direct operating costs, replacement capital costs and charges to/from others, except as noted. Replacement capital costs reflect funds to replace used equipment.

General Fund Expenditures

Police - These expenditures amount to \$75,944,969, or \$178.34 per employee for commercial/business uses.

Fire - The department expenditures amount to \$36,572,809, or \$85.88 per employee for commercial/business uses.

Public Works - The impacted department expenditures amount to \$58,337,296, or \$136.99 per employee for commercial/business uses. Excluded are \$43,954,737 in expenditures for Sewer Services and Solid Waste Systems because they are associated with the Enterprise Funds.

Planning - These department expenditures amount to \$7,825,340, or \$18.38 per employee for commercial/business uses.

General Government - These expenditures amount to \$6,394,894, or \$15.02 per employee for commercial/business uses. General government includes the City Manager, City Clerk, Mayor, City Council and Economic Development department.

Finance - These expenditures amount to \$43,801,495, or \$102.86 per employee for commercial/business uses. Most of these expenditures are for municipal debt service.

General Services - These expenditures amount to \$2,535,056, or \$5.95 per employee for commercial/business uses.

Library/Museum - These expenditures amount to \$5,136,276, or \$12.07 per employee for commercial/business uses. This includes expenditures for the Museum (\$2,136,276) and the General Fund share of Library (\$3,000,000.)

Parks and Recreation - These expenditures amount to \$25,254,270, or \$59.30 per employee for commercial/business uses.

There are no special revenue funds expenditures directly impacted by the project.

B. Capital Roadway Budgets

The proposed project will require off-site roadway capital improvements. The Draft EIR document will identify the off-site roadway improvements needed to mitigate the direct and cumulative traffic impacts of the proposed project. Though less significant, the Draft EIR may also identify some impacts upon local water, sewer, police and fire facilities.

The proposed project will contribute its fair share of the funding to implement the roadway mitigation improvements as conditions of approval. Thus, there will be no significant capital impact by the proposed project.

Roadway maintenance funds will be generated by the project from Gas Taxes and Measure "A" sales tax revenue, as detailed in Special Revenue Sources above.

Section 5. FISCAL IMPACTS ANALYSIS

A fiscal impact analysis was conducted to estimate and compile the Riverside municipal revenues and expenditures associated with the proposed project. The results of the analysis are based upon the project characteristics described in Section 2, the analytic approach and methods discussed in Section 3, and the fiscal assumptions detailed in Section 4.

A. Riverside Fiscal Impact

At buildout, the proposed project can be expected to generate about \$975,700 in revenues annually to the municipal budget, as detailed on Table 4. The bulk of the project related revenue is generated by the sales and use tax, about \$849,000 annually. Property tax, utility users tax, business license and charges for services revenues contribute smaller, but still significant revenues.

Municipal service expenditures associated with the proposed project at buildout are estimated to be \$299,089 annually, as indicated on Table 5. Public safety (\$119,744) expenditures are impacted the greatest.

The net fiscal impact of the proposed project on the El Centro budget is a positive \$676,611 at buildout, as indicated on Appendix Table 6. The revenue/cost ratio is 3.26, indicating that the City will receive \$3.26 in new revenues for every \$1.00 of added expense.

B. Roadway Funding Impacts

Project related Gas Tax revenues are expected to generate \$7,074 annually to the Riverside roadway budget at buildout. Project generated Measure "A" revenues amount to \$424,500 annually. However, these Measure "A" monies are distributed by Riverside County to cities. The amount of these Measure "A" revenues returning to the City of Riverside is substantial, but unknown.

Roadway revenues are commonly used for either capital improvements or maintenance purposes. The proposed project will generate sufficient revenues to cover annual roadway maintenance requirements for the city.

The City of Moreno Valley may also be impacted by roadway maintenance costs since some portions of affected intersections are within the city's jurisdiction. These impacts are considered nominal because

Table 4:

Estimated Project Impacted Revenues

Revenue Source	Project Revenue	Percent of Rev's
General Fund		
Sales and Use Tax	\$849,000	87.0%
Property Tax	\$27,143	2.8%
Utility Users Tax	\$36,851	3.8%
Charges for Services	\$22,740	2.3%
Other Taxes	\$12,414	1.3%
Business License	\$20,099	2.1%
Other Licenses & Permits	\$3,645	0.4%
Fines & Forfeitures	\$3,808	0.4%
Total GF Revenues	\$975,700	100.0%

Special Revenue Sources

Gas Taxes	\$7,074
Measure A	\$424,500
LPSA	\$424,500

Source: AGAJANIAN & Associates

Table 5:

Estimated Project Impacted Costs

Department	Project Costs	Percent of Cost
Police	\$119,744	40.0%
Fire	\$57,665	19.3%
Public Works	\$27,152	9.1%
Parks & Recreation	\$31,924	10.7%
Planning	\$12,338	4.1%
General Government	\$10,083	3.4%
Finance	\$28,087	9.4%
General Services	\$3,997	1.3%
Library/Museum	\$8,098	2.7%
Total	\$299,089	100.0%

Source: AGAJANIAN & Associates

Table 6:
Fiscal Impact of Proposed Project

Project Revenues	\$975,700
Project Costs	<u>\$299,089</u>
Net Project Impact	\$676,611
Revenue/Cost Ratio	3.26

Source: AGAJANIAN & Associates

project related roadway capital improvements should eliminate all but minor and routine roadway maintenance services.

Section 6: FISCAL IMPACT FINDINGS

This fiscal impact analysis closely examined the financial consequences of the proposed Wal-Mart Supercenter project upon the City of Riverside budget; the most directly and significantly project impacted general-purpose public jurisdiction.

This fiscal impact analysis supports the following findings:

- ▶ At buildout, the project is expected to generate a net positive fiscal impact of \$676,611 annually to the City of Riverside municipal budget if implemented as proposed.
- ▶ Riverside is expected to receive \$3.26 in revenues for each \$1.00 of service and capital cost in the municipal budget if the project is implemented as proposed.
- ▶ At buildout, the project will generate \$431,574 annually of project generated roadway revenues to pay for project related roadway capital and maintenance costs.